FINANCIAL TIMES

PUBLISHED IN LONDON AND FRANKFURT

No. 28,789 Thursday June 3 1982 ***30p

CONTINENTAL SELLING PRICES: AUSTRIA Sch. 15; BELGIUM Fr 35; DENMARK Kr 6.50; FRANCE Fr 5.00; GERMANY DM 2.0; ITALY L 1,000; NETHERLANDS Fl 2.25; NORWAY Kr 6.00; PORTUGAL Esc 50; SPAIN Pta 85; SWEDEN Kr 6.00; SWITZERLAND Fr 2.0; EIRE 50p; MALTA

NEWS SUMMARY

Pope has changed unity map, Runcie

The Pope left Britain with the simple farewell "May God bless you all."

He flew from Cardiff to Rome after his six-day visit which took him more than 1,000 miles around Britain. Throughout the visit, the first made by a reigning Pope, he made repeated calls for peace. Church unity was also an important topic during talks with Protestant leaders.

After the Pope left, the Archbishop of Canterbury, Dr Robert Runcie, said: "The aftermath is going to be significant. The Pope has, I believe, in what he has done here, changed the map about Christian unity."

On his final day the Pope visited Wales and was given a tremendous reception by more than 33,000 cheering youngsters in Cardiff City's Ninian Park ground. A joyful pageant, Page 10.

GENERAL

Threat of pit strike grows

Threats of industrial action by miners increased when Kent's 3,000 pit workers voted for an all-out strike from June 19. They are fighting the planned closure of a mine and want support from other NUM members.

Action by the Kent miners has already had advance support from miners' union president Arthur Scargill. He has said he will call for a widening of the dispute at the union's executive meeting next week. Back Page

Troops cut plan

The Nato summit in Bonn next week will endorse a revised programme to reduce Nato and Warsaw Pact troops in Europe by 370,000. Back Page

Sex-change win

GEC Communications in Coventry reinstated an engineer dismissed when he decided to change sex. An industrial tribunal ruled sacking illegal and 2,000 colleagues voted for reinstatement.

S. Korea moves

South Korea's President, Chun Doo Hwan reshuffled his cabinet for the second time in a fortnight after a multi-million dollar loan scandal. Page 3

Cable TV call

The Independent Broadcasting Authority said it is against advertising on cable television and anything which would damage the present BBC and ITV basic services. Page 8

Musicians defect

Three Polish musicians from the Krakow Philharmonic Orchestra defected after a concert in Bergen, Norway.

Petrol price up

BP Oil raised pump prices for petrol by 7p a gallon, taking the average price to 169p a gallon. Market leaders Shell and Esso are expected to follow within a few days.

CND rethink

A High Court judge ordered Environment Secretary Michael Heseltine to reconsider his decision to ban music at a CND rally in London's Hyde Park on Sunday.

Transport plan

A future Labour government would form a National Transport Authority to integrate transport policy, according to a document drawn up by the party and transport unions. Back Page

Derby winner

Golden Fleece, the 3-1 favourite, won the Derby. It was trainer Vincent O'Brien's sixth Derby win. Racing, Page 15

Briefly . . .

Labour-controlled Nottinghamshire Council voted to give £1,000 to CND.

Five home-made petrol bombs exploded under cars belonging to U.S. military staff in Athens.

An American woman being held by China, accused of espionage, will be released today, and ordered from the country.

BUSINESS

£ firm as $ weakens; gilts steady

● STERLING rose 50 points to $1.7925, DM 4.245 (DM 4.235), SwFr 3.62 (SwFr 3.605), FFr 11.045 (FFr 10.99) and Y438.5 (Y435). Its trade-weighted index rose to 90.7 (90.5). Page 40

● DOLLAR weakened to DM 2.3675 (DM 2.3775), SwFr 2.0175 (SwFr 2.0225) and FFr 6.165 (FFr 6.175). Its trade-weighted index was 115.7 (115.4). Page 40

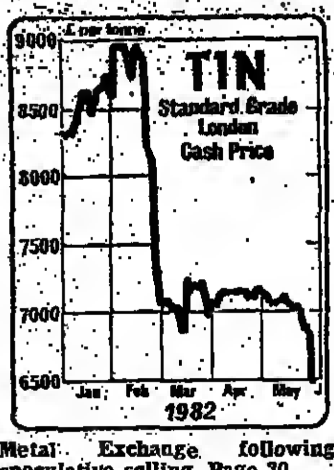
● GOLD rose $2.75 to $320.875 in London. In New York, the Comex June close was $320.30. Page 40

● GILTS were maintained by the firmness of sterling in slow trading. The FT Government Securities index edged up 0.02 to 69.76. Page 39

● EQUITIES tended easier in thin trading. The FT 30-share index slipped 2.2 to 585.1. Page 39

● WALL STREET was up 3.05 at 818.02 near the close. Page 32

● TIN PRICES fell £205 to £6,470 a tonne on the London Metal Exchange following speculative selling. Page 30.



● LOCAL AUTHORITIES in England and Wales took over £200m out of their balances to keep down the 1982-83 rates. Page 9

● BANK LEUMI British subsidiary of Israel's biggest bank, is providing money dispensing for its customers linked to Lloyd's Bank Cashpoint

● STRIKES and demonstrations erupted across Italy yesterday in protest at the decision of the employers' association to withdraw from the scala mobile. Page 2

● NATIONAL MUTUAL Life Association of Australasia has purchased for A$136.8m (£80.5m) the bulk of Bond Corporation's shareholding in a big Australian oil and natural gas project. Back Page

● MINING FINANCE company Charter Consolidated's £64m bid for Glasgow-based mining equipment manufacturer, Anderson Strathclyde, is being referred to the Monopolies Commission. Back Page.

● DE LA RUE, the security printers, suffered a fall in taxable profits to £21.94m for the year to March 31 against £33m. Page 24; Lex Back Page.

● HARRISONS AND CROSFIELD finished 1981 with taxable profits down to £47.24m (£51.02m) despite higher turnover. Page 26; Lex, Back Page

● ALLIED-LYONS, the food and drinks group, made taxable profits for the 52 weeks to March 6 of £141.2m against £112.4m for the preceding 53 weeks. Page 24; Lex, Back Page.

CHIEF PRICE CHANGES YESTERDAY

(Prices in pence unless otherwise indicated)

RISES			
Boot (H.)	230	+	7
Coot. Microwave	423	+	18
Dunhill (A.)	275	+	7
Glaxo	693	+	6
Readicut	20½	+	2
FALLS			
Adams & Gibbon	103	−	13
De La Rue	540	−	40
Edinburgh Gen. Ins.	8	−	3
Harrison Crosfield	562	−	75
Hemokinetics	5	−	3
Johnson Grp. Clnrs.	245	−	10
Lake & Elliot	44	−	6
Piezo El. Products	45	−	15
Saatchi & Saatchi	435	−	20
Sotheby P.B.	307	−	8
Thorn EMI	410	−	5
Tilbury Group	488	−	7
Shell Transport	422	−	4
Anglo Am. Gold	£29¾	−	1⅞
Gold Fields of S.A.	£23	−	1⅜
President Brand	£11⅜	−	1⅝

UN trusteeship of Falklands acceptable to Argentina

BY HUGH O'SHAUGHNESSY, LATIN AMERICA CORRESPONDENT

ARGENTINA is willing to accept a form of UN trusteeship for the Falkland Islands during a limited period, provided UN administration of the islands is backed up by Argentine and British advisers, according to an official spokesman here.

Also, the government here has withdrawn its demand that the British task-force quit the Falklands region altogether. It is now willing to accept a Royal Navy presence no nearer than 150 miles from the archipelago, in the context of a withdrawal of Argentine and British troops from the islands themselves.

New concessions were being presented Sr Javier Perez de Cuellar, the UN Secretary-General; by Air Force Brigadier José Miret, the planning secretary, Rear-Admiral Benito Moya, head of President Leopoldo Galtieri's military staff, and General Miguel Mallea Gil, the Argentine military attaché in Washington, who arrived in New York from Buenos Aires yesterday.

In New York, Sr Perez de Cuellar, reporting to the UN Security Council on his latest week-long efforts to achieve peace, said last night that he had been unable to obtain agreement on a cease-fire. But his remarks were made before he had seen the three Argentine envoys. Sr Perez de Cuellar offered to continue to try to achieve a diplomatic settlement of the conflict.

Speculation that a last-minute negotiated settlement to the Falklands dispute might still be reached was provoked by a statement made by Sr Nicanor Costa Mendez, the Argentine Foreign Minister, during a stop at Brasilia airport on his way to Havana for a meeting of non-aligned States.

"We can still believe in a peaceful solution," Sr Costa Mendez said. "I believe that there is still a very tenuous hope, that there is still a very little time left to convince Mrs Thatcher."

However, British officials at the UN continued to insist that the terms on which Britain would agree to a cease-fire must include an unqualified Argentine commitment to withdraw from the Falklands.

Before Brig Miret left Buenos Aires on Tuesday night, he claimed he had been given a "set of ideas in the form of a directive from the governing military junta," which would allow him and his colleagues to reply to any proposals made by the Secretary-General without reference to Buenos Aires.

The new concessions—which Argentina is presenting as its "ultimate negotiating effort," designed to halt bloodshed as both sides prepare for the battle for Port Stanley, the Falklands capital—are alluded to in an article yesterday morning in La Nueva Provincia. This daily newspaper, published in the coastal city of Bahia Blanca, has frequently been used to leak Government plans.

The reliability of the article was confirmed by officials in Buenos Aires. They repeated arguments that Argentina has much faith in the UN, where it believes it can command a majority of votes favourable to an eventual transfer of sovereignty over the Falklands to Argentina.

"Argentine public opinion may not, in the past, have been ready to accept the idea of a UN trusteeship of the Falklands, but it is now," commented a senior official.

The reports of Argentine acceptance of UN trusteeship came as diplomatic and military sources were threatening that Argentina would maintain hostilities against British forces on the Falklands, if its forces were thrown off the islands. In the absence of a negotiated agreement, it is said here, attacks on the Falklands would be mounted from the Argentine mainland and British assets, already subject to official supervision, would be summarily confiscated.

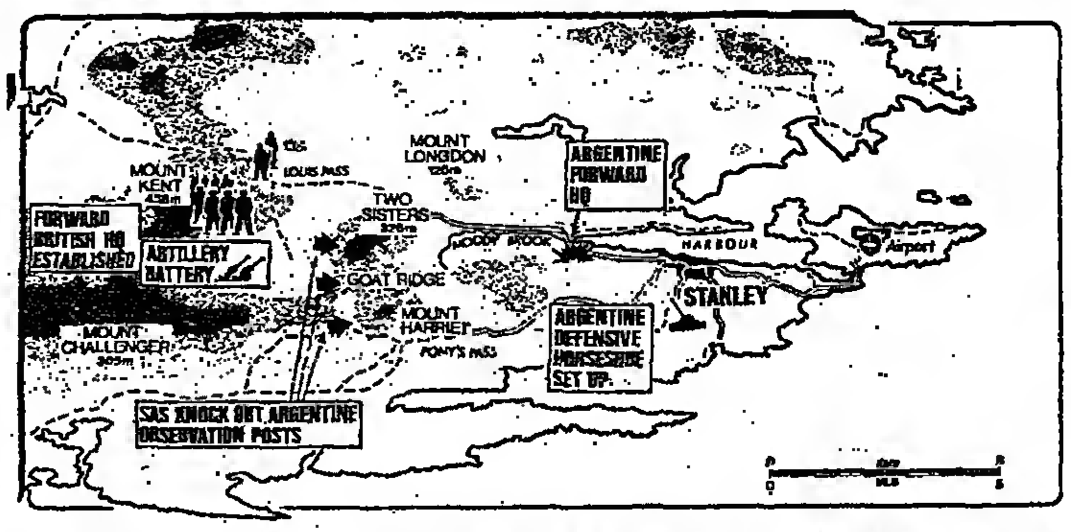
Brigadier Miret is expected to renew his contacts with Mrs Jeane Kirkpatrick, the U.S. ambassador to the UN, who is seen here as one of the influential friends of the junta in senior positions in the Reagan Administration, who also include Vice-President George Bush. The well-publicised differences of opinion between Mrs Kirkpatrick and Mr Alexander Haig, the Secretary of State, have been followed closely here, with the junta eagerly hoping for Mr Haig's discomfiture.

As someone who served several years as defence attaché in Washington, Brigadier Miret knew Mrs Kirkpatrick before the Falklands crisis and is viewed here as the senior officer most familiar with the U.S. Admiral Moya is a close confident of General Galtieri.

Falklands Crisis, Page 4

Harriers reinforce Army for attack

BY BRIDGET BLOOM, DEFENCE CORRESPONDENT



MAJOR REINFORCEMENTS of Harrier jump jets have arrived in the Falklands as British troops prepare for the final battle to take Port Stanley, the island's capital.

The Defence Ministry in London continued its official blackout of news yesterday on fighting in the Port Stanley area.

It seems clear that by Tuesday British forces were in control of all the surrounding hills and key passes to the town and were within easy striking distance.

Reporters with the British troops spoke of their artillery already firing on Moody Brook, the former Royal Marines base just west of Port Stanley.

The reports were released by the Ministry yesterday, but were apparently filed from the Falklands on Monday or Tuesday.

It was not clear last night whether the Royal Marines and paratroopers had already moved for the expected assault on Port Stanley, or were still consolidating positions.

On Tuesday it was being suggested in Whitehall that a full-scale attack would not take place for three or four days.

The Ministry of Defence said yesterday that bombing of military installations in and round the airfield at Port Stanley was a feature of the past few days, and that in one attack two Harrier jump jets were damaged.

The two fighter-bombers ditched when they returned to the Task Force, the Ministry said. The pilots were rescued. Eight Harriers have been lost since the beginning of the campaign.

Further reinforcements of RAF Harriers arrived in the Falklands earlier this week, the Ministry said.

They are in addition to the 20 original Sea Harriers with the Task Force, and about 20, mainly RAF Harriers, which arrived two weeks ago.

It is unofficially suggested that there may be 20 or more in the new batch, making a possible total of 60 of the vertical take-off and landing fighters which have been dedicated to the

Continued on Back Page

Record Canadian Eurobond issue

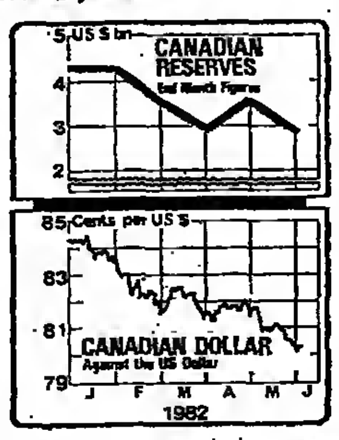
BY ALAN FRIEDMAN IN LONDON AND JIM RUSK IN OTTOWA

THE GOVERNMENT of Canada yesterday launched the largest single Eurobond in the market's 20-year history, a U.S.$750m (£418m) five-year Eurodollar issue managed by Deutsche Bank and Credit Suisse First Boston.

The money is being raised to replenish Canada's declining foreign exchange reserves and to continue the defence of the Canadian dollar in currency markets. Canada's total gold and foreign currency reserves fell U.S.$651m in May to reach $2.87bn.

The underlying decline was $951m, however, because the Government borrowed $300m from a group of Canadian banks. The loan, from a $3bn standby credit, was used to help defend the Canadian dollar, which has been in trouble for weeks.

Canada has healthy merchandise trade surpluses, but the deficit on its current account has continued to grow because of payments on services and on service debt. In addition, the



estimates of revenue in the 1982 budget have been put out badly by the decline of the world oil price which is cutting into expected oil revenue.

Yesterday, the appearance of the $750m Eurobond helped the Canadian dollar recover slightly. Dealers were encouraged by the inflow of foreign exchange resulting from the bond issue and the Canadian currency closed in London at 80.3 U.S. cents against 80.1 cents on Tuesday.

Canada's total outstanding public sector debt in foreign currencies—federal, provincial and municipal—is about U.S.$36.2bn, according to the Bank of Canada. The Government's 1982 total cash requirement was thought to be C$6.6bn a few months ago, but this estimate has been doubled by many analysts and government officials.

The Canadian issue received a mixed reception in the Euro-

Continued on Back Page
Economic Viewpoint, Page 23
Eurobond prices hit by Canada's issue, Page 27
Money Markets, Page 40

£ in New York

—	June 1	Previous
Spot	$1.7880-7895	$1.7855-7865
1 month	0.19-0.23 pm	0.15-0.21 pm
3 months	0.60-0.57 pm	0.57-0.62 pm
12 months	2.20-2.35 pm	1.95-2.05 pm

Thatcher seeks support on battle for Port Stanley

BY ELINOR GOODMAN, POLITICAL CORRESPONDENT

MRS THATCHER last night sought international and domestic support for a battle to retake Port Stanley, which she appeared to think was now almost inevitable.

She also made it clear that in the long term she would be looking to other nations to participate in some multinational peacekeeping force.

Respite

In a series of television interviews for home and foreign consumption, she repeatedly put the responsibility for a potentially "prolonged and difficult battle" on Argentina.

The only way to avoid a battle now, she insisted, would be for Argentina to withdraw. At one point during the BBC interview she appeared to be offering Argentina a brief period of respite. She said that if they were going to withdraw, they would have to decide to do so "within a few days."

There could then "be a period of 10 to 14 days" for the withdrawal to take place. But it was clear from the other interviews that she does not want to encourage the Argentines to think they can play for time, and that she personally doubts whether a battle can be avoided.

A diplomatic solution was "just a possibility," but she did not think it very likely.

The interviews were the first Mrs Thatcher has given since Britain re-invaded the Falklands. The tone suggested that in some ways events since then had hardened her views.

"I cannot myself see a role in any way related to sovereignty for the Argentines on the Falklands. You saw what happened in Goose Green and Darwin and how our people have been treated. They never wanted to go to the Argentine before. They will be even less likely now."

Nevertheless, Mrs Thatcher showed a new willingness to consider some international formula for solving the dispute in the long term and raised the possibility of a multinational peacekeeping force. She made the comparison with the Sinai peacekeeping force and said she hoped the Americans would agree to take part if asked.

Mrs Thatcher was endorsing a solution which Mr Francis Pym, the Foreign Secretary, is believed to favour. But she made it clear that the Government is already considering ways of maintaining a presence on the islands for several years to come.

Once the Argentines had been removed, the next stage would be a period of "reconstruction and rehabilitation." Mrs Thatcher had already asked Lord Shackleton to update his 1976 report on ways of making the islands more viable.

'Betrayal'

Ultimately the aim would be "self-government and independence."

In all five interviews, the Prime Minister stressed the need to protect "liberty, justice and democracy". Asked about the need to be magnanimous towards the Argentines, she said magnanimity was not a word she would use in connection with the Falklands. Some people were using it to suggest that Britain should hand over something to the Argentines. To do that to an "invader and aggressor and fascist dictator would be treason or betrayal of our own people."

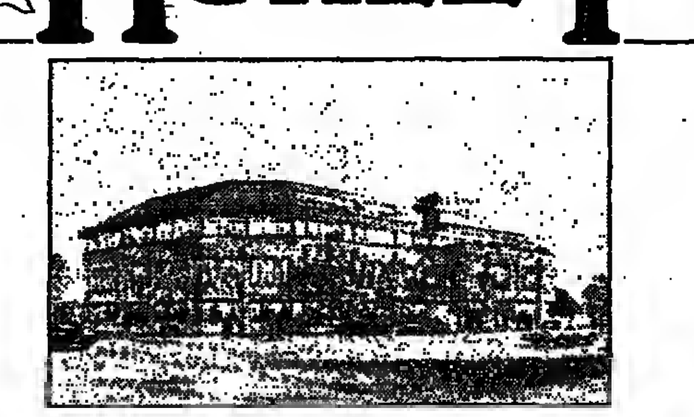
$750m SUPPORT FOR POUND

The Bank of England appears to have spent about $750m of the UK's reserves to support the pound since the Falkland crisis began in early April, writes Max Wilkinson, Economics Correspondent.

Official figures show that the underlying fall in the reserves last month was $363m after an underlying fall of $394 in April. These figures give the nearest indication of Bank intervention. Details of foreign exchange market operations are not disclosed.

The indications are that the Bank intervened quite sharply on April 5 to steady the markets after the first news of the Argentine invasion of the Falkland Islands and that the pound has been helped on several occasions when the Bank of England index of its value against a basket of other currencies appeared to sag to around 88 (1975=100). Yesterday, however, sterling maintained its recent steadiness to close in London at 90.7, 0.2 points higher than Tuesday's close.

The reserves at the end of May stood at $17.82bn (£9.94bn) compared with $18.16bn at the end of April.



CONTENTS

For latest Share Index phone 01-246 8026

kes sweep Italy in protest at pay move

RNWELL IN ROME

Luciano Lama: "no truce"

STRIKES AND demonstrations erupted across Italy yesterday in protest at the decision of the employers' association, Confindustria, to withdraw from the country's wage indexa agreement.

Union leaders were claiming last night that their strike call had been a resounding success. The disruption took the form of a one-hour general strike, coupled with four-hour stoppages at all companies affiliated to Condindustria.

The three main labour unions were reporting 80-90 per cent participation in the strike, and were freely comparing yesterday's mood with that during Italy's famous "hot autumn" of labour unrest in 1969, which marked the end of the country's postwar economic boom.

Among the big groups, Pirelli reported that nearly all workers at its large Bicocca plant in Milan had taken part. Fiat claimed that half its workers at the giant Mirafiori plant in Turin had stopped work, and 70 per cent at the traditionally militant Lancia plant at Chivasso.

The unions are meeting today to plot the next moves in their campaign to force Confindustria to back down. Sig Luciano Lama, bead of the Communist-dominated CGIL union, declared that until it did, there would be "no truce" on the industrial front in Italy.

Sig Michele di Giesi, the Labour Minister, meanwhile was bolding talks with Sig Giovanni Spadolini, the Prime Minister, and representatives of Confindustris, in a first attempt "to defuse the bomb," as be put it, and find an agreement that satisfied both sides.

Political leaders have been almost at one in criticising Confindustria and expressing alarm at the risk of a protracted wave of industrial agitation, especially if other trade and economic organisations also pull out of the *scala mobile* arrangements.

The fact that the decision does not take effect until January 31, 1983 means that the contending parties have eight months to find a compromise. But the related issue of negotiations for new three-year wage contracts for 10m workers, which have still not begun in earnest, makes a tense situation even more so.

Nor do the omens bode well for Sig Spadolini, who is committed to key talks on the future of his fragile 11-month-old Government as soon as the Versailles summit and an important round of local elections this weekend are out of the way.

Confindustria has been at pains to stress that its move was in no way political. But there is widespread talk once more that the Government's demise could be hastened indirectly by the latest turn in events.

Sig Spadolini received one small crumb of comfort yesterday with the news that inflation is continuing to decline. A rise of only 1.1 per cent in retail prices in May bas brought the year-on-year rate down to 15.2 per cent, the lowest figure for close on three years.

However, Sig Nino Andreatta, the Treasury Minister, yesterday confirmed that the government deficit was running far in excess of the L50,000bn (£21.7bn) ceiling for the whole year originally intended. Sig Spadolini has indicated that emergency measures will be taken very shortly.

Labour's hopes ride on Dutch local polls

By Walter Ellis in Amsterdam

A HIGH TURNOUT of voters in Amsterdam and Rotterdam may bave belped the Dutch Labour Party cut its expected losses in the country's municipal elections.

Even so, the party is still thought to have fared bady. Labour, under the leadership of Mr Joop den Uyl, bas been forecast to lose as mucb as 10 per cent of its normal support.

Such a result would confirm the trend begun in the provincial elections in March and would further strengthen the bopes of the Christian Democrats and the Liberals for a centre-right Government following this autumn's general election.

Interest also focused last night on the position of Democrats 66, a left-of-centre grouping currently forming part of the interim minority Government of Mr Dries van Agt.

It is generally felt now that Democrats 66, whicb has 17 seats in Parliament, is in decline, and a poor sbowing in the municipal elections would again give rise to optimism on the rigbt.

The most likely result is solid gains for the Liberals, a slight advance by the Christian Democrats and medium-to-heavy losses by Democrats 66 and Labour.

A high poll in Amsterdam and Rotterdam could mean that Labour will continue to be involved in the government of the country's two largest cities.

This is important for the party, but the leadership will be even more concerned about the total vote received and about the loyalty of its traditional working-class constituency.

Mr den Uyl has indicated recently that he might be prepared to step down from the Lebour leadership which be bas beld since 1967. A poor performance by his party in the municipal elections might edge him closer to a decision.

W. German unemployment figure falls again

BY JAMES BUCHAN IN BONN

UNEMPLOYMENT in West Germany fell again last month to 1.65m but the Federal Labour Office warned yesterday that seasonal influences had merely masked the fact there was no real improvement.

The number of unemployed in May was 3.8 per cent, or some 64,000 lower than in April. This represents some 6.9 per cent of the workforce, against 7.2 per cent in April and under 5 per cent in May last year.

Herr Josef Stingl, the president of the Labour Office, said, however, that the unemployment figures, stripped of the seasonal influences on employment out-of-doors or on catering, represented a structural deterioration of some 50,000 jobe to 1.8m unemployed. The level of job openings at the end of May was 120,200.

In these conditions, Herr Egon Lutz, a Social Democrat labour expert, warned of the real danger of unemployment exceeding 2m next winter. At the very least, the financial difficulties of the Labour Office are expected to be aggravated, with Herr Stingl expecting to need additional budget funds of up to DM5bn (£1.2bn) to cover unemployment payments.

Better news came yesterday from the Federal Statistical Office which bas revised sharply upwards its figure for manufacturing industry output for March. On e seasonally adjusted basis, output showed a rise of 2 per cent over February—rather than an expected fall of 1 per cent. This gives a quarterly result with the first sign of life after 15 months of stagnation. According to preliminary returns from tha office, the figures for output in April are likely to continue the positive trend.

● Herr Heinz Kluncker, chairman of the powerful public service trade union, resigned yesterday from his post for reasons of bad bealth. Herr Kluncker (57), bad just led his union, which has more than 1m members in public service and transport, to victory in a bitter struggle against a government plan for a 1 per cent cut in civil servants' incomes.

Turkey may be taken to court

By John Wyles in Copenhagen

FIVE EUROPEAN Governments looke likely to step up the political pressure on Turkey's military government by making a formal complaint against it to the European Commission on Human Rights at Strasbourg.

Legal experts from Denmark, France, the Netherlands, Norway and Sweden are meeting in Oslo over the next few days to put the finishing touches to a dossier of accusations, including imprisonment without trial and the widespread use of torture.

Mr Kjell Olesen, the Danish Foreign Minister, said here yesterday that the five countries would decide in about two weeks wbether to lodge their joint complaint. There had been no pressure from the U.S. to drop their action although Wasbington has made no secret of its wisb that Ankara should be left alone to pursue its plans for a gredual restoration of democracy.

If, as seems likely, the five do go ahead, then Turkey may immediately respond by withdrawing from the Council of Europe.

The case, however, could take two years to reach a conclusion during which time Turkey should be well on the way to a restoration of democracy if the military regime sticks to its declared timetable.

Jobless and inflation put Spain's economic programme at risk

BY ROBERT GRAHAM IN MADRID

RISING INFLATION and a continuing increase in the level of unemployment to more than 15 per cent of the active population are undermining the Spanisb Government's economic plans. These plans are based on a social contract between the Government, the employers and the unions and this pact, too, is now at risk.

The broad lines of policy for this year were that the inflation rate would be cut to 12 per cent, wages would be held to a 9-11 per cent band, and the number of unemployed would be constant, with the Government guaranteeing 350,000 new jobs. These overall aims were also the basis of the recently publisbed conclusions in tbe OECD's annual report on Spain.

In the first five months of the year, bowever, the only element that apears to be going as planned concerns wages. The average for private sector wage settlements is just above 10.5 per cent, so keeping within the outer limits of the band. This bas been possible because the unions have respected the limits imposed. Here, the moderation of the Socialist-controlled General Workers Union (UGT), has been important.

Against this, inflation has been running much higher than expected. The latest figures just released for April show a 1.3 per cent increase over the previous month, giving a year-on-year rate of more than 14 per cent. This is almost the same level as last year and underlines the enormous difficulty the authorities have encountered in the past five years in bringing Spanish inflation into direct line with that in the main OECD countries.

This year's increases are attributed to generous farm support price settlements and higher foodstuff imports due to the drought. The decline in the value of the peseta has been offset by the stabilisation of oil prices.

Another important inflationary element, which bas been highlighted by the business community, is the sharp increase in public sector spending.

During the first four months of the year, the treasury's resort to the Bank of Spain has totalled Pta 520bn (£2.8bn). This is more than the budget envisaged for the whole of 1982. During the same period last year, advances by the Bank of Spain to the Treasury totalled Pta 320bn (£1.7bn) and, as an indicator, reached Pta 575bn (£3.1bn) for the year as a whole.

The increase in public sector spending is also underlined by a rise in the money supply which is running at a yearly average of 17 per cent, two points higher than the previous year. If the first six months' inflation figures continue like this, the Government will be obliged to top up wages, as agreed in the social contract. Economists believe the Government is most likely to resort to holding back price increases artificially until July, as happened last year.

Perhaps more serious, from a politico-economic point of view, is the rise of unemployment. In the first quarter, unemployment rose from 1.74m to 1.8m, with 15.5 per cent of the active population jobless. The figure is expected to rise in the second quarter to more than 2m and is probably already past this mark.

The increase in jobless is in stark contrast to one of the principal undertakings in the social contract. The unions, in return for accepting a cut in real wages were promised—albeit in vague terms—that unemployment would not increase because 350,000 jobs would be created this year.

This promise now appears wildly optimistic and could cause serious discontent within the union movement with criticism of bad faith levelled against both the Government and the employers. It will also make it more difficult to arrange a wages pact for 1983.

Solidarity looks poised to issue general strike call

BY CHRISTOPHER BOBINSKI IN WARSAW

SOLIDARITY'S clandestine leadership in Warsaw has urged its supporters to suepend present forms of protest against martial law—but it appears, nevertheless, to be moving towards calling a general strike.

In a ststement publisbed in the underground press, the four-man Warsaw region leadership says that some Warsaw factories have said that a date must be fixed for a general strike whicb would force the authorities to negotiate with the union.

The statement bears the hallmarks of a compromise between the clandestina radicals, who are arguing for a confrontation with the authorities and the moderates, like Mr Zbignlew Bujak, the Warsaw region leader, wbo are inclined to take a long-term view.

It admits that present forms of protest like lighting candles in windows to commemorate the introduction of martial law and sbort protest strikes have not produced results.

But the statement says that the May 13 strike call for a 15-minute stoppage was beeded by 70 to 80 per cent of tha factories in the Warsaw area.

In ligbt of the request that the regional leadership fix a dete for a general strike, the statement calls on union supporters in each factory to set up "cells" to prepare the stoppage.

These would sound out support on the sbop-floor for such a stoppage, and the forms it should take.

More light is shed on the differences of opinion insida the movement by extracts from a letter sent by Mr Bujak on May 21 to Mr Bogdan Lis, the union leader in Gdansk, wbich was publisbed in the Mazowsze clandestine weekly.

Mr Lis had said that factories in Gdansk were behind a general strike.

Mr Bujak says that such a strike would be an attempt to overthrow the Government — revolution, no less.

"I personally will not be the one to call for such a strike. It would mean sending thousands of people to their deathe, and I don't want to be responsible for that," Mr Bujak says.

Bnt be does suggest that factory activists should tell the national leedership what they think and then, if over 80 per cent of the large plants back the strike, the four-man leadership would be "ready to support the call for such a strike."

Portugal's EEC deadline threatened by badly-prepared homework

BY DIANA SMITH IN LISBON

"WE DIDN'T apply to join Portugal. Portugal applied to join us," said M Gaston Thorn, president of the EEC Commission, while on a visit to Lisbon. In case the message bad not sunk in, be added that if Portugal boped to get into the European Economic Community by January 1 1984 "a great deal of work must be done," by the Community as well as Portugal, M Thorn stressed. It was clear, however, that the pith of his remarks was intended for Portugal'e negotiators.

For this is the crucial year. If Portugal does not put its best efforts into preparing the toughest dossiers on the agenda for June and October—customs union, agriculture, fishing, taxation, right of establishment and social affairs, most importantly, labour movements—it may miss the cbance to sign its accession treaty by the end of 1982.

That would be a serions psychological blow for the Balsemao Government, which is visibly anxious to bsve negotiations over and done with before the year ends. The blow for the EEC, whicb bas only a brief lull in its budget wrangles with the UK between now and November, would be less painful. In times of Community crisis, candidates have to press their cases even more effectively.

It is not clear whether Portuguese officialdom has absorbed the message M Thorn delivered during his April visit to Lisbon, or the polite hints dropped *sotto voce* that Spain is getting on with better-prepared dossiers—so what about a show of Portuguese energy?

Portugal does not present the threat to many Community products that makes some members of the Ten fear Spanish accession. Nevertheless, it bas serious shortfalls in some areas and two strongly competitive and politically sensitive domsins: her textiles and her manpower.

Textiles represent 42 per cent of Portugal's industrial output: since the expiry of the voluntary restraints agreements this year, they bave been able to enter the Community freely. Portuguese officials get jumpy when warned that the UK and France, wbose textile induetries are in difficulties, could insist on a post-accession transition period of perbaps two to three years wben quotas would be enforced. There are signs that the customs union dossier scheduled for the June ministerial meeting may not be clesred because of the possibility of a tough Portuguese stand against any temporary derogations of free circulation of goods.

Sbould this crucial dossier be shelved, this will affect the bulk of negotiations. The Community presidency switches from Belgium to Denmark on July 1, a point in Portugal'e favour, since the smaller nations tend to be more amenable to such candidates.

But thereafter comes West Germany's presidency: a West Germany with 7 per cent unemployment, 1m resident Turks and, at this stage, while not bostile to Portuguese textiles, not cheered by the prospect of rapid free circulation of Portuguese workers after accession. There are more than 200,000 Portuguese in West Germany at present and 1m in France.

The gravity of the social affairs/labour dossier cannot be stressed enough. The Portuguese blench at the thought of years of restrictions: many Community members do the same at the thought of a flow of Portuguese workers swelling the unskilled sector of the market.

Greece—no longer an exporter of manpower—had to bow to a seven-year transition period after accession in wbich restrictions on the circulation of Greek workers in the Community would be lifted gradually. Portugal, still an exporter albeit less massively than in the 1960s and 1970s, considered the free circulation of its considerable surplus manpower as a prime reason for applying to join the EEC—a hasty, politically motivated and economically unprepared gesture made in 1977.

This is the crucial year for Portugal's plans to join the EEC. If it does not put its best efforts into preparing the toughest dossiers on the agenda for June and October it may miss the chance to sign its accession treaty by the end of 1982.

Portuguese officials do not want to consider the chance that transition could be longer and more restrictive than that of Greece, but the political pressures exerted by the EEC's heavy unemployment levels are mitigating Portugal's hopes. Whether this entails 7 to 10 years of transition is a moot point.

Textiles and labour encounter lines of most resistance from the Community, where Portugal's resentment is strong but its barbargaining power less so. Matters like agriculture, regional policy and fishing rights require immense Community benevolence and even greater Portuguese preparation—which seems to be lacking.

Despite rhetoric and promises of improvements, Portugal is not working on its regional policy. If it plays its cards right, as West Europe's poorest country, Portugal can benefit greatly from the European Regional Development Fund and other instruments destined to reduce the gap between richer and poorer regions.

With this in mind it is not much to Portugal's credit that the regional dossier was briskly closed early this year after next to no debate and that, since then, there has been no conspicuous Portuguese effort to structure a policy in time for accession.

The same problems apply to Portugal's congenitally weak agriculture. Much of it still lurks in the pre-mechanical dark ages, devoted to the apparently sacred principle of one-man-one cow or one man-one cornstalk, howevar impractical the economics of this individualism. The Community is still waiting for proposals on where to apply the sizable chunk of the 100m units of account set aside in direct grants for Portuguese agriculture.

The country is importing 74 per cent of its food and animal supplies this year, thanks to drought last year, under-capitalisation, inefficiency and antediluvian storage and marketing systems. The EEC could hardly be blamed for occasional shows of bleakness when esked what it plans to do about Portugal's agriculture. Since the Portuguese appear not to know themselves bow to approach this truly daunting subject, the bleakness is mutual.

The Portuguese seem to want a long restrictive period of transition to protect key sectors like finance from massive foreign competition. They want five years to adjust their bideously complex tax system to VAT—the EEC's bread and butter—and three years of controls on capital movements after accession. Capital movements controls have been received with understanding—the other befty requests have been less well-accepted.

"Understanding" was the keynote when Portugal, emerging from revolutionary turmoil, made its bid for membership. But there is a feeling in the air that midway through 1982 it can no longer rely on the understanding of the Ten. Portugal must be methodical in its work on its dossiers or fece the delays and disappointments incurred by less careful preparation.

FINANCIAL TIMES, published daily except Sundays and holidays. U.S. subscription rates $365.00 per annum. Second Class postage paid at New York, N.Y., and at additional mailing centres.

Mitterrand call to revive economies

By Brij Khindaria in Geneva

THE WORLD'S 115m young people without work can be saved from sinking further into the "quicksand of unemployment" only if the major powers put aside their narrow national interests to revive the world economy, President Francois Mitterrand, of France, said bere yesterday.

Addressing the 147-nation annual conference of the International Labour Organisation, M Mitterrand repeated his call for "European space," comprising at least the EEC countries, where workers would be guaranteed jobs.

He rejected the U.S. thesis that market forces should be relied upon to boost economic growth and create jobs. Europeans should spend much more on social policies, training workers to handle new technology, and on protecting those who work in multinational companies against decisions taken by headquarters located abroad.

The best way to handle problems created by unavoidable redundancies is to establish committees of worker, emloyer and government representatives on the pattern begun by his Socialist Government in France.

The President repeatedly emphasised themes be is expected to raise at the seven-nation summit of the world's main industrialised countries which begins at Versailles tomorrow.

He called for significant reforms to the world's monetary and financial systems to ensure that national policies do not conflict with the needs of industrialised countries as a whole, causing recession and unemployment.

Further social unrest in both rich and poor countries, be said, could be prevented only through close policy co-operation among industrialised nations to manage economic recovery.

Protectionism in trade and cuts in aid to developing conntries would hurt Europeans in the long run by slowing down the Third World growth as a market for goods, including technology, he added.

M Mitterrand's address opened the conference's three-week section and set the tone of debates to come. The main proposal before delegates is for a new international convention laying down guidelines for employers when dismissing workers or announcing redundancies. The U.S. and Britain would prefer a recommendation which does not have the force of a treaty and is obeyed on a voluntary basis.

The other conference highlight will be an address by Pope John Paul II on May 15 on his return from Argentina. He is expected to appeal for more social justice and freedom for workers wishing to create trade unions.

M Mitterrand . . . plea for jobs guarantee

Iraqi air force warns Iran against invasion

BY OUR FOREIGN STAFF

IRAQI air force jets broke the sound barrier over Tehran and the boly city of Qom yesterday in what was seen as a clear warning to Iran not to attempt an invasion of Iraq.

A military spokesman in Baghdad said the flights demonstrated Iraq's ability "to reach out to any target in Iran."

"This warning is aimed at deterring the Iranian authorities from shelling enew any city or civilian installations in Iraq," he said.

The southarn Iraqi town of Basra on the Shatt al-Arab waterway has been shelled several times since Iran recaptured the nearby port city of Khorramshabr 10 days ago.

This prompted Iraq to launch air attacks last weekend on the main Iranian oil export terminal at Kharg Island. Although there bava been no confirmed reports of damage, Japanese shipping companies said yesterday that they had suspended their services from the terminal. Oil company officials said they believed that damage had been slight.

A further possible escalation of the 20-month old Gulf war came with an alleged warning to Kuwait that vessels approaching that country might be stopped and searched by Iranian warships.

The Kuwait newspaper Al-Anbaa said that the Kuwait Chamber of Commerce had been told by Mr Ali Shams Ardakani, the Iranian ambassador, tbat local businessmen should stop using the term "Arabian Gulf" in tbeir shipping and import documents.

A spokesman for the chamber said it had been told that vessels heading for Kuwait would be intercepted if they did not abide by the stipulation and would risk not being allowed to continue to their destination.

Kuwait had no intention of giving in to the Iranian threat and complained that it had not been delivered through proper diplomatic channels.

Iran, meanwhile, conceded that Iraqi aircraft had flown over Tehran and Qom but said that no bombs had been dropped or targets attacked. A government spokesman said that Iranian jets had been scrambled to drive off the enemy aircraft.

This is the first time in more than a year that Iraqi aircraft bave ranged so deeply into Iran.

MILITARY AID TO IRAQ CONTINUES

Egypt sees a way back to the Arab world

BY ANTHONY McDERMOTT IN CAIRO

FOR THE first time in decades, the one issue now dominating Egyptian foreign policy is not Israel and the Palestinians. Egyptian attention is concentrated instead on the Gulf and on the country which led the Arab boycott of Cairo after President Anwar Sadat's peace overture to the Jewisb state.

In November, 1978, Iraq played bost to an Arab summit which drew up a comprehensive programme to boycott Egypt after its Camp David accords with Israel. Today, Egypt's supply of arms to Iraq, whose Government has recently suggested direct military intervention might be welcome in the face of a humilieting defeat by Iran in the Gulf war, could open the way for Egypt's return to the Arab world, or at least the more moderate part of it.

The Gulf war has certainly thrown up some strange alliances, so that compared with Israeli arms supplies to Iran, Egypt's to Iraq should not appear so illogical. The fact is that in spite of the Arab boycott, Iraq began turning to Egypt for arms fairly soon after the conflict began, in September, 1980. The late President Sadat made it public the following March. Today little is hidden. Iraqi military aircraft can be seen at Cairo airport and civilian flights between Cairo and Baghdad resumed last month.

Over the past two years weapons worth around $1.5bn have been delivered to Iraq and paid for. Ostensibly, these payments have come directly from Baghdad. It is more likely, but bard to check, that they represent Saudi and Kuwaiti money in support of Iraq's war, channelled through Baghdad to preserve the fiction. Thus, after a break of nearly four years, Government money from the Arabian peninsula is indirectly finding its way back to Cairo.

The arms factories in Helwan and Heliopolis have been kept busy through these contracts, particularly for the production of ammunition, mines and spare parts for Soviet aircraft. Of heavier articles, between 40 and 50 T-55 Soviet-built tanks have been spotted on a vessel in Alexandria, and it is assumed that these are heading for Iraq. With the delivery of U.S. M-60 tanks, Egypt has a tank surplns but it is reckoned that total sales would not exceed 100.

It is unlikely that Egypt would have supplied aircraft to Iraq. In spite of gradual deliveries of U.S. and European aircraft, Egypt needs every fighter and bomber it has, however ancient. Sending pilots would also seem unlikely, even though the Lebanese weekly An-Nahar Report and Memo recently reported that between 40 and 60 Egyptian pilots were in Iraq.

Ground troops could be a different issue, because there are about 30,000 Egyptians working in Iraq, some of whom could bave been seconded, much as British servicemen bave been in Oman. There are reports too that Egyptian air defence experts have been helping in such states as Bahrein.

President Hasni Mubarak this week called upon Iran and Iraq to stop fighting. He was backed up by President Jaafar Nimeiri of Sudan in a one-day visit on Tuesday, who said be had called a summit to discuss the war and that Egypt should attend. Such a summit would exclude countries like Algeria, Libya, Syria and South Yemen and the Palestine Liberation Organisation, the Steadfastness Front most in opposition to Egypt's peace treaty with Israel.

Egypt appears to have calculated that while there could be difficulties in becoming involved in a complicated Middle East political conflict at a time when security and economic problems at home are still the priority, these are outweighed by several factors.

The first is that Iran's victory opens the way to a change of Government in Iraq, which could produce an axis composed of Syria, Iraq and Iran. This would radically change the balance of power in the eastern part of the region and would worry the States on the Arabian peninsula deeply.

Second, although Egypt is in no hurry to rejoin the Arab world as a whole, if, as the only credible counter balance to this axis, Egypt could offer support (even military support), then the moderate Arab States would lobby for its partial return to the Arab fold.

Bangladesh liberalises investment policy

A new industrial and investment policy was announced yesterday by Bangladesh, which virtually nndoes a decade of nationalisation of major industries and liberalises the provisions for foreign investment, AP-DJ reports from Dacca.

Mr Shafiul Azam, who is adviser to the chief martial law administrator in charge of industries and commerce, said jute and textile industries formerly owned by Bangladesh entrepreneurs will be returned to them shortly. About half of the jute and textile industries will be returned to the private sector.

Six sectors of basic industries will be reserved for the public sector and will remain closed to foreign investment.

Egypt considers military requests

Egypt is considering a British and French request for permission to conduct military exercises in the Egyptian desert, Field Marshal Abdel Halim Abu Ghazala, the Egyptian Defence Minister, said yesterday, Reuter reports from Cairo.

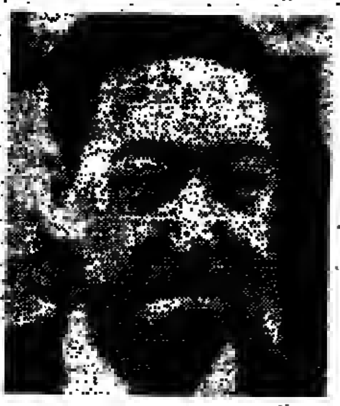
S. African activist's banning continues

Dr Mamphela Ramphele, who belped found the Black Consciousness movement with the late Steve Biko, was banned on Monday for a further two years, ber family said, AP reports from Johannesburg.

Dr Ramphele remains restricted to a rural township 220 miles north of Johannesburg.

U.S. 'genuine,' says Nujoma

Mr Sam Nujoma, leader of the Sonth West Africa People's Organisation (Swapo), wbicb is figbting a guerrilla war for independence in Namibia, said after meeting Mr Chester Crocker, U.S. Assistant Secretary of State, in Bonn, that he oow believed the U.S. wanted a speedy end to the conflict with South Africa. He also said he believed the U.S. wanted genuine independence in Namibia, AP reports from Bonn.



Lee Bum-Suk

S. Korean Foreign Minister removed

By Ann Charters in Seoul

IN ANOTHER Cabinet change just two weeks after a major reshuffle, President Chun Doo Hwan bas named chief Presidential Secretary Lee Bum Suk as Foreign Minister.

Mr Lee, a career diplomat who has only been a member of the Presidential staff since January and was formerly Minister for National Unification, replaces Mr Lho Shin-Yong. Mr Lho is believed to have been removed because Korea's request for $6bn in aid from Japan is still pending after more than a year, despite ministerial-level talks in Japan and Korea.

Bilateral talks on the aid request broke off in April wben the Japanese offered to discuss $4bn in aid and loans. Although the new appointment may not immediately lead to renewed talks, Japan is reported to welcome the change and Mr Lee is said to be well regarded in Tokyo.

Mr Lho will remain active in the Government and has been named Director of the Agency for National Security Planning, the successor to the Korean Central Intelligence Agency.

In another development, former Opposition politician and Presidential contender, Mr Kim Young-Sam has been placed under house arrest, following statements published in the New York Times.

AP-DJ adds from Seoul: the Prosecutor-General's office has iodicated 28 people in connection with the Korean loan scandal. Heading the list were Lee Chol-Hui, one-time Deputy Director of the Korean Ceotral Intelligence Agency, and his wife, Chang Young-Ja.

Japan fears Versailles criticism over weak yen

BY CHARLES SMITH, FAR EAST EDITOR IN TOKYO

JAPANESE officials are afraid that the suddeo weakening of the yen during the past few days could resull in Japan finding itself the centre of critical attention at the Versailles economic summit this week despite the Government's efforts to defuse criticism with its recent trade liberalisation measures.

The yen has lost more than 10 poinls against the dollar during the past two weeks and would almosl certainly have fallen further but for heavy intervention by the Bank of Japan.

In Tokyo yesterday the closing rate against the dollar was Y244.65—a drop of three points on the day. Market turnover has been at record, or near record, levels for the past two days and intervention by the Bank of Japan may have totalled around $200m a day.

The governor of the Bank of Japan, Mr Haruo Maekawa, told foreign journalists early this week that the yen's weakness was doe entirely to the external factor of U.S. interest rates (which bave begun rising again following the failure of talks between the Administratioo and Congress on ways to eliminate the U.S. hudget deficit).

Japanese officials, however, are well aware that there are two sides to the interest rate argument. Japan's rates are the lowest for any major country and arguably deserve a sbare of the blame for the outflow of long-term capital which has beeo the immediate cause of the falling excbange rale.

Officials in Tokyo have repeatedly said thal they will take no action lo widen the preseot gap between Japanese and U.S. ioterest rates, bul they bave also argued that in tbe country's presenl economic situation any rise in interest rates is unthinkable. The reason for this is that while interest rates have been static for some time, real interest rates (the difference between nominal rates and inflation) bave risen sharply with the fading of inflatiooary pressures.

Long-term real interest rates which rose from 1.5 per cent in March last year to 4.8 per cent early this year are said to have added to the financial burdens of industry at a time of domestic recession and to have become a difficull problem for small compaoies.

Because of the hurden of real ioterest rates—and because Japan helieves it is obliged to follow a rigid fiscal policy lo restructure the budget, the Bank of Japan sees no option but to keep interest rates where they are for the time being.

Some private critics of the Government's policies believe, bowever, that the central bank could be forced to raise inlerset rates even without pressure from outside. This could happen if the Japanese capital market proves unable to support the very heavy burden of Government bond issues that will be made necessary by recent ahortfalls in national tax revenue.

Higher interest rates togelher with continoing — or even increased—amounts of deficit financing in the form of boods issues would representl a radical change from the economic policy the Governmenl is trying to follow at present, but it could conceivably become unavoidable.

Japanese officials refer to a shift away from the current low interest rates and tight fiscal strategy as a chaoge of Japan's economic "policy mix." They fear that pressures for such a change might he repeated al Versailles and that they could become increasingly hard lo resist.

A radical change of policy might have political as well as economic consequences for Japan, since several key figures in the Government are deeply committed to the current strategy.

Tokyo plan to persuade loss-making petrol stations to close

BY RICHARD C. HANSON IN TOKYO

JAPAN'S Ministry of International Trade and Industry (MITI) has finally plucked up the courage to tackle the problem of Japan's 30,000 superfluous petrol stations. The Ministry is expected to announce proposals soon which will offer every incentive to station owners either to merge operations or to move into other sectors.

Forcible closure of loss-making stations will be avoided because of the large-scale unemployment this would cause: to put even 10 per cent of the country's present total of 59,000 stations out of work would create 24,000 unemployed and indirectly affect 67,000 people. Short of using force, however, the Ministry appears to have decided that something must ba done.

The MITI plan to rationalise petrol stations by a policy of persuasion goes hand in hand with a plan to reduce the capacity of Japan's overblown oil refining industry by 17 per cent—around 1m barrels a day.

Scrapping oil refining capacity, bowever, demands little more than tbe reluctant agreement of the 13 major companies in the industry. Rationalising the distribution of petrol will be far trickier as nearly 80 per ceot of patrol station owners are indepeodents; over 30 per cent are one-man or one-family businesses.

Japan has more than double the number of petrol stations than either the UK of West Germany, but only 50 per cent more demand for petrol. This is partly because a large number of people left the land and moved into the petrol trade in the 1950s and 1960s—the number of petrol stations increased 30 times betweeo the beginning of the 1950s and the mid-1960s.

It is also because ownership of a gas station has always heen seen as a status symbol. Pelrol station owners in their heyday earned as much as salaried staff with top Japanese companies and many times more than humbler types of retailers, such as greengrocers.

Today, however, 70 per cent of petrol stations operate at a loss and most only stay in busioess by making attractive special offers to customers. Many petrol stations provide a free car wash after the purchase of a gallon of fuel. Others give out conpons which can be used to buy several dozen different groceries at local stores at a flat rate of Y10 (2½p). Yet aoother idea is giving customers a discount every time a favourite baseball team wins.

The intense competition between them means Japanese petrol stations are famous for their service. At nearly all petrol stations sales assistants approach at the double when a car appears. Wasbing aod wiping windows is considered obligatory and vacuum cleaning rugs is not unknown.

Excess competition has also had its effect on prices. The cost of petrol has risen only 65 per cent since before the first oil crisis to about Y750 (£1.74) per gallon, although station owners and the oil companies would prefer to see the price over Y900 per gallon.

MITI, by ordering cuts in refining capacity, might be helping to set the stage for price increases. Amoog those who will be squeezed by tighter supplies are those stations not affiliated with an oil company. These stations have, at times, spoilt attempts to raise prices.

MITI's major weapon for reducing the numher of surplus stations is expected to be the offer of special loans from a state-owned bank specialising in small business finance to those wbo coosent to close. The Ministry is being careful not to souod over-confident about tha results of its programmes, however. A "conservative estimate" is that in five years' tima Japan might still have 95 per cent of the petrol stations it has at present.

Gas dispute jeopardises future of Thailand's fertiliser plant

BY JONATHAN SHARP IN BANGKOK

THE BUBBLE of euphoria felt by Thai economic planners last year, following the aelection of a Scandinavlao consortlum to build a giant fertiliser complex, has now been depressingly puoctured by a dispute over fuel prices between the Governmeot and the consortium. The deadlock has led to speculation that the Thai Government may throw the project open again to international hidding.

The speed with which the Thai Governmant processed and approved the offer made by the consortium of Haldor Topsoe of Denmark, Norsk Hydro of Norway and Swedyards Development Corporation of Swedeo confounded the Governmeot's critics. Earlier, the cynics bad scoffed at the abandonmeot of plans after six months of negotiations with a U.S.-Japanese group to construct the project.

The Scandinavian bid appeared to be set fair for success, however, not leasl because the proposals included terms that were unexpectedly generous to the Thais.

The plant, costing up to 12,000m babt (£290m), would be buill on Thailand's ambitious eastern seahoard iodustrialisation project, south-east of Bangkok. Il would use as feedstock the bountiful supplies of natural gas coming onstream from the Gulf of Thailand.

The plant's output would raise the relatively low level of fertiliser used in Thailand. That farmers have long recognised the benefits of fertiliser hut have been constrained by high costs from applying it to the same extent as their neighbours in other South-East Asian countries.

The project would also reduce Thailand's heavy dependeoce on imported fertiliser, whicb last year cost more than 3,000m babt (£73m).

Unfortunately, the planners' high hopes are nowhere near being realised. Deadlines for signing the final cootract on the deal at the end of 1981 aod in March this year bave passed and, wbile negotiations have contioued, questions are beginning to he raised as to whether the project will get off the ground in its present form.

Ironically, the main sticking poinl in the talks between Thai officials and the Scandinaviaos concerns the natural gas that has been touted as the answer to Thailand's prayers.

The provisiooal agreement stipulated that the completed fertiliser plant would buy the gas at cost price, but the two sides bave differed widely on wbat constituted the real cost of supplying the gas.

While a definition of the cost price has apparently now been agreed, the actual price of the gas to be supplied remains in dispute.

The Government is offering $3.40 (£1.88) per 1,000 cu ft, which the Scandinavians says is far too high, particularly in view of the tumbling world prices for fertiliser.

The Scandinavians noted that Indooesia, for example, sells gas for as litlte as $1 per 1,000 cu. ft. and proposed io turn that the Thai gas should be provided at $2.50. This figure was calculated from the cost of Indonesiao gas, plus $1.50 per 1,000 cu ft that would be paid for transportation to Thailand.

It has also been suggested that since the consortium agreed to supply fertiliser to the Thai market at less than the world price, the Government should he prepared lo subsidise the cost of the gas. But it is believed the Government baulked at paylog a subsidy.

The Government argues that to allow such concessions would expose it to attack from other investors wbo were not able to gain such privileges.

Moreover, the Government says thal the low Indonesian gas price is not relevant for Thailand: in Indonesia the gas is a cbeap by-producl from the exploitation of oil reserves, while the buge investment in the Gulf of Thailand has been for gas alone.

To bolster its case, the Thai Governmenl has hired independent coosultants from the U.S. who forecast that the world fertiliser price will eventually rise, and therefore the consortium should be prepared lo accepl losses for the first few years before reaping high profits laler.

At present, the argument appears to be deadlocked.

THE FALKLANDS CRISIS

The U.S. and Argentina: End of a beautiful friendship

BY JIMMY BURNS IN BUENOS AIRES

THERE IS a new cartoon being brandished around Buenos Aires these days. In a normally humourless city, the picture shows Mr Alexander Haig, the U.S. Secretary of State, hiding under a heavy cloak, clutching a machine-gun, a shady bodyguard behind a demonic Mrs Thatcher.

Whatever the outcome of the Falklands crisis, one of the key areas of Argentina's foreign policy—its relations with the U.S., is unlikely ever to quite the same again. "Britain is our enemy, but the U.S. is much worse than that—it is a traitor," said an Argentine diplomat, summing up the public mood.

To the British, Washington's decision to line up behind Mrs Thatcher was natural enough. Indeed, London seemed to have initially baulked at the fact that Mr Haig wasted so much time with his shuttle diplomacy trying to make concessions to Buenos Aires. But in Argentina, the announcement that Washington would imposa limited economic sanctions on the junta and offer military assistance to the British task force was greeted with horrified incredulity.

Before Argentina's invasion of the Falklands, Buenos Aires and Washington had heen concentrating on forging new links. For both President Ronald Reagan and President Leopoldo Galtieri, the alliance appeared to spring from a common appreciation of the state of the world, particularly of Latin America. Both saw a clear-cut division between Communist and Western influence and for the need to defend the latter whenever possible.

President Galtieri, on assuming power last December, passionately declared his pro-Western values and subsequently offered full backing for President Reagan's policy in central America.

Argentine advisers skilled in anti-guerrilla warfare, were sent to help the Duarte regime. In return, the Reagan Administration adopted a more generous attitude towards Argentina than that of former President Jimmy Carter.

The fact that Argentina was the one major grain producer that refused to go along with the embargo following the Soviet invasion of Afghanistan was diplomatically forgiven. Argentine's human rights shortcomings another bone of contention under President Carter, were also seen through new eyes. Within weeks of President Galtieri's coming to power, the Reagan Administration had privately conceded that human rights had improved sufficiently for him to be able to recommend a repeal of the Humphrey-Kennedy amendment which restricts U.S. arms sales to Argentina.

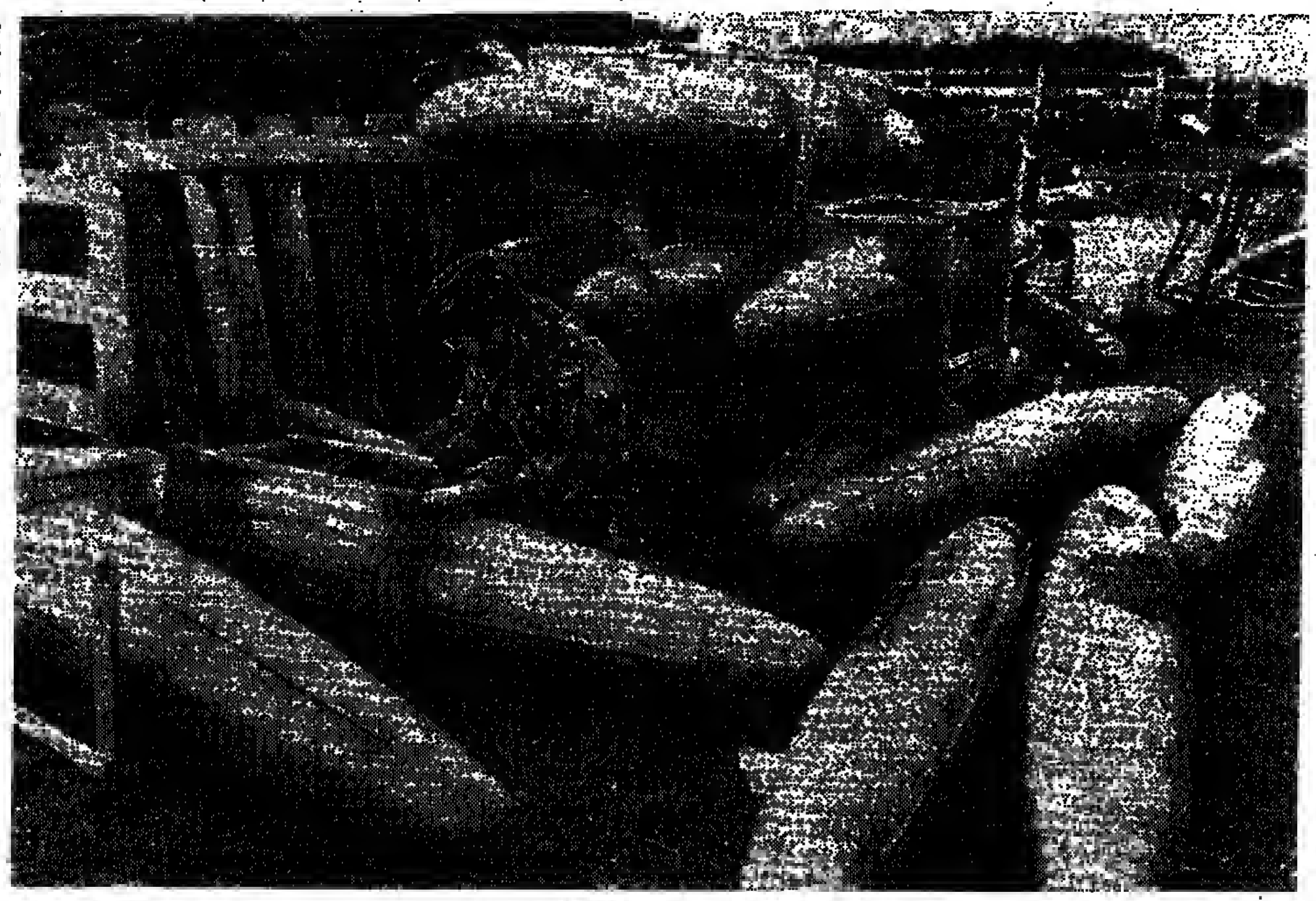
All this was taking place against the background of constant private meetings between Argentine and U.S. military officers and the nourishing of Argentine strategic ambitions. The most important of these ironically, was the prospect of Buenos Aires assuming the role of defender of part of the South Atlantic against Soviet incursions.

However Utopian such a concept, there is little donbt that by the time Buenos Aires decided to invade tha Falklands, the military junta felt sufficiently aecure in its ties with the U.S. to predict a lukewarm reaction from Washington. Equally, Washington had convinced itself that it wielded sufficient influence with President Galtieri to dissuade the Argentine armed forces from going beyond the brink.

Only when President Reagan telephoned President Galtieri on the night of April Fool's Day did both men probably realise for the first time the full extent of their mutual self-deception. By that time, the first Argentine war vessels were already in Falkland waters, reportedly beyond recall.

The telephone call, in retrospect, should have heen conclusive proof to both Buenos Aires and Washington that their links were not as strong as either had at one time assumed. But the subsequent emergence of Mr Haig as mediator, and the initial warm acceptance by the junta of his initiative, was a sign that the shock bad temporarily given way to renewed hope.

Argentina now argues that Mr Haig's mediation was a cynical attempt by Washington to play for time and allow the British task force to move into position. At the time, however, there were enough Argentine officials who firmly helieved that Mr Haig could wangle an agreement from Mrs Thatcher, leading to British recognition of Argentine sovereignty over the Falklands.



RAF officer inspects a stock of napalm bombs found after British troops captured Goose Green settlement. Reporters saw more than 30 220kg napalm tanks in the centre of the village and 50 bombs stored at the airfield. The bombs were to have been dropped by Pucara aircraft

Judging from more recent statements by junta members and Argentine Foreign Ministry officials, it would seem that Argentine tempers have cooled somewhat since the initial outbursts which followed the collapse of the Haig mediation efforts.

The speech of Mr Nicanor Costa Mendez, the Argentine Foreign Minister, to the Organisation of American States, recently, toned down a first draft which was far more hostile towards Washington. Buenos Aires, meanwhile continues to insist that it is seeking new lines of communication with Washington, by pursuing contacts with people like Mrs Jeane Fitzpatrick, the U.S. ambassador to the United Nations and Mr William Clark, a senior adviser to the State Department.

However, the damage is far from being repaired. Arguably, the "Latin Americanists" within the U.S. Administration have been discredited as a result of the Falklands debacle—U.S. diplomats from now on are likely to be far more cantious before going overboard in its relations with potentially unstable military regimes in the Third World.

U.S. diplomats are far from convinced that the Argentine leaders with whom they bave talked in the past will be around for very much longer. The very unpredictability of Argentine domestic politics cautions against making any firm commitment to the cause of its foreign policy.

There is, however, a firm conviction in diplomatic circles that the events of the past few weeks bave opened up a Pandora's box of latent anti-U.S. feeling which will be extremely difficult to close. While Latin American solidarity behind Argentina has fallen short of what Buenos Aires expected, the fall-out of the Falklands crisis has been serious enough, not least in the virulently anti-U.S. attitudes in Venezuela and Peru. Venezuela in particular, because of its role in the Caribbean hasin, is a potential ally which Washington can ill afford to do without.

In Argentina, the major opposition grouping, the Peronists, appear to be exploiting the equivocation of the last few weeks to the full, pressing for a radical change in Argentine foreign policy. Drawing on the writings of Gen Peron, they want to see Argentina placed on a pedestal and marshalling the Third World behind a new non-aligned movement, clearly distanced from Washington.

Such extreme nationalist feelings are shared by a number of Argentina's officers, who dismiss the current anti-U.S. sentiment of men like President Galtieri as opportunism.

In the current anti-Yankee phase, much is at stake, not least U.S. business in Argentina. The U.S. tops the list of foreign investors with investments estimated at about \$2.5bn. The U.S. business community straddles most key sectors of the Argentine economy with names like Ford, Exxon, IBM, Continental Grains and Deere. Ford is the U.S. company with the largest stake in Argentina. Its 1980 sales were worth \$1.9bn. Citihank and First National Bank of Boston rank high in the list of local private banks.

U.S. hanks both inside and outside Argentina are ruffled by Argentine nationalist voices which are beginning to urge tha Government to declare a universal moratorium on its debts. Argentina owes an estimated \$9.2hn to U.S. banks.

There is also the much wider question of future U.S. influence in the area and the possible realignment of Argentina with the Soviet Union. Diplomats in Buenos Aires appear to have ruled out the possibility of direct iotervention by the Soviet Union or the Cubans in the Falklands crisis.

Nevertheless the Soviet Union is likely to exploit the Falklands crisis by stepping up its trade with Argentina, and introduciog a new element in arms sales. The U.S. appears to recognise that nnless a lasting peace ia achieved between Argentina and Britain, Washington's own trade in armaments to Buenos Aires, suspended since 1978, is unlikely to resume.

In foreign investment generally, the slack left by the U.S. is likely to be eagerly taken up by countries like Japan and Italy, who have not participated fully in sanctions against Argentina and are keen to build their preseoce in the country.

Marines 'yomping' through mud to Stanley

The following is a pooled dispatch from Charles Laurence, Sunday Telegraph correspondent in the Falklands:

"Yomping," they call it in the Royal Marine Commandos, and it has turned to be the British secret weapon in the Falklands campaign.

It means marching: humping up to 120 lb of equipment and all the arms needed for attack at the far end of the trek. Both the Commandos and the paratroopers in the brigade now advancing on Stanley have swept across the marshy, hilly country in days and on their feet.

The extraordinary effort by these tough men has apparently taken the Argentine troops by surprise. British intelligence on their movements indicates that their attempts to move around the islands, too boggy for most military vehicles, has exhausted them.

They did not count on the British force, at the thin end of a 7,000-mile logistic line, being able to move with the speed with which we have since the breakout from the beachhead at San Carlos last Thursday.

Since then, paratroopers have "yomped" to Goose Green to take the garrison there. Now we are poised for the final leap to an attack position in front of the capital.

Brig Julian Thompson is now installed at his forward HQ. With him he has brought his staff, a medical unit and a resupply base as we move forward. We have been out with the picks and shovels once more, digging into defensive positions on the same scale as at San Carlos 12 days ago.

My Commando unit expects to mova forward any hour now. Plans are changing so fast, and are so flexible as new information comes in by the hour, that even the colonel of the unit is not sure where he will be within the next 12 hours or so.

Enemy troops continue to retreat before us and appear to be gathering in full strength at Stanley. As we march on to an anticipated contact, we find them gone.

We have overrun Argentine observation posts and taken prisoners, but the main force retreated from their positions days or hours before our arrival.

It has been an epic march, the longest carrying full kit across rough country in the history of the Commandos. I have been with them across 40 miles of open country and my boots, issued new on board the Canberra just three weeks ago, now look as if they have been in service since World War Two.

We have "yomped" ankle-deep in marshland, waded rivers, hauled up mountains. We have kept going through up to six bours of darkness, stumbling through the tussock grass. Sleet, snow and torrential rain have fallen.

When possible we have taken refuge in farm buildings, where the first task has been to dry out boots and sleeping bags to prevent trench foot and assure rest. We have eaten meals—"scran"—cold to avoid the giveaway light of a hexamine cooking stove.

Alweys in the cold light of the Falklands dawn, the bootneck Marines and their equally hardy officers have been ready to "yomp on" for the next stage of the journey. They shoulder their packs, check their weapons and, stretched out over three miles of the moors, keep their eyes open and their fingers on their triggers ready for any unexpected contact.

The commanding officer said: "In the last war the infantry walked from the Normandy beaches to Berlin, so we can walk to Stanley. But in the context of the hard going and the weight carried it has been a Herculean effort.

The brigade is working on three fronts. While we continue the advance, they are using every helicopter, landing craft and tracked vehicle to rush forward logistic supplies; and at the same time they must not forget the defence.

At 8 am GMT, three hours before dawn, I was kicked out of my sleeping bag and told to dig a trench in case of a counter attack or air raid. The attack never came, hut we dug for hours until we had completed covered shelter trenches more than 4 ft deep.

In a few hours we shall probably leave them to be used by the next footsore warriors to arrive on their way to Stanley.

The Falklands campaign has turned Commandos into a fearsome-looking troop. After 12 days in the open, with camouflage cream on their faces, they are wild, dirty and unshaven.

Their clothes are mud-stained and the dirt is ingrained in their hands. After anothar day's march is done, even the most senior officers look like ditch-stained tramps—but armed to the teeth and ready to scare even the Vikings into a hasty retreat.

Harrier numbers reinforced again

BY BRIDGET BLOOM, DEFENCE CORRESPONDENT

BRITAIN MAY now have more than 60 Harrier jump jet fighter bombers in the Falkland Islands.

A new batch of Harriers, in addition to the estimated 35 aircraft already there, have now joined the task force, the Ministry of Defence announced in London yesterday.

The aircraft flew to Ascension Island, and then directly to the Falkland Islands. They were refuelled in flight by Victor tankers, the Ministry said, noting that the 17 hours which the 8,000 miles journey took was a record for the RAF.

The Ministry refused to say how many extra aircraft were now with the task force. Twenty Sea Harriers left with the first warships in April, and were reinforced only two weeks ago by a second batch of Royal Navy and RAF Harriers, bringing the total committed to the Falklands to around 40.

However, eight Harriers are believed to have been lost—two earlier this week. The Ministry announced yesterday that in the course of bombing the Port Stanley araa, two Harriers were damaged and "ditched on their return to the task force". The pilots were recovered safely.

There were unofficial suggestions yesterday that the new batch could involve another 20 aircraft and possibly more.

The importance of the new arrivals is that the RAF Harriers are maximised for ground attack — they are designed for use on the central European front and operate mainly from West Germany.

In the current stage of the Falklands campaign the RAF aircraft could he called in to support the marines and paratroopers now advaocing towards Port Stanley, possibly from a makeshift airbase at Goose Green or San Carlos.

Their presence will free the Sea Harriers for the job of protecting the task force itself.

The RAF has around 90 Harriers out of an original order of some 110. Some 34 Sea Harriers were ordered for the Royal Navy with all those available — about 28-30 — believed to have been dedicated to the Falklands campaign. It was not clear last night to what extent the new batch has reduced the strength of the RAF in Germany.

Australian offer on Invincible

CANBERRA—The Australian Government has given Britain the chance to pull out of an agreement to sell the aircraft carrier HMS Invincible to Australia, Mr Malcolm Fraser, Prime Minister, said yesterday.

"I believe this was the only decent course an Australian Government could take in the circumstances," Mr Fraser said.

The ship is playing a vital role in British efforts to retake the Falklands Islands from Argentina. It was due to be sold under a deal said in Australia to be worth A\$478m (£309m).

Mr Fraser said he had told Mrs Thatcher that Britain was not obliged to go through with the sale in the light of its naval losses in the Falklands conflict. "We wouldn't hold them to some moral obligation," he told a National Press Club lunch in Canberra.

He believed the British Government would want to keep to the commitment to sell Invincible, although there was likely to be a review of the naval losses sustained.

"I still hope their review will come out the same way . . . but in light of the losses the British Navy has had I didn't want them to feel inhibited because of their relationship with us," he said.

Reuter

In London a Defence Ministry spokesman said later that Mr Fraser's offer was being considered. "We are very grateful for the offer," he said.

Mrs Thatcher, who received Mr Fraser's message yesterday morning, is expected to thank him for his offer. The issue is likely to be examined by Ministers hut tha immadiate reaction in Whitehall yesterday was that Britain will probably continue with its plans for the sale.

Ireland concerned at future loss of exports

EXPORTERS in the Irish Republic are studying reports of orders lost from Britain becauae of their Government's policy on the Falklands crisis. Some traders fear resistance to buying Irish products could be more long-lasting than the effects of IRA activity.

According to the Irish Export Board, no significant loss of business has been recorded ao far. But contracts currently under negotiation are regarded as vulnerable and the full effects of any anti-Irish feeling in the British trade sector might not become clear for about two months.

Exporters directly involved in selling to Britain claimed yesterday that the decision of Premier Charles Haughey's Government to pull ont of EEC trade sanctions against Argentina and press for UN action, in opposition to British wishes, was already having a definite effect on them.

One said: "The dropping of support for the British action on the Falklands is aeen as Government policy, a formal decision that reflects on all the Irish, unlike the IRA outrages. Any company with a strong Irish brandname will suffer. The whole thing has done enormons damage."

Another businessman who depends largely on trading across the Irish Sea said his business losses totalled £200,000 since the Government adopted its current policy.

He described the position as "very, very serious" adding: "It is bad enough having the Northern Ireland aituation on our hands but now to have this problem, which la of our own making, is thoroughly disgraceful. Our representativea are getting an awful lot of rude remarks and they are being embarrassed."

The United Kingdom market is traditionally the biggest for Ireland's exporters although its percentage share of Irish trade bas declined steadily over the past few years. In the first four months of this year more than 39 per cent of Irish exports went to Britain.

Agencies

Post resumes

THE Ministry of Defence and the Post Office are joining forces to establish an airmail link with the Falkland Islands. Unregistered aerogrammes, airmail postcards and airmail letters weighing up to 50 grammes are being accepted for the civilian population of the islands, it was announced yesterday.

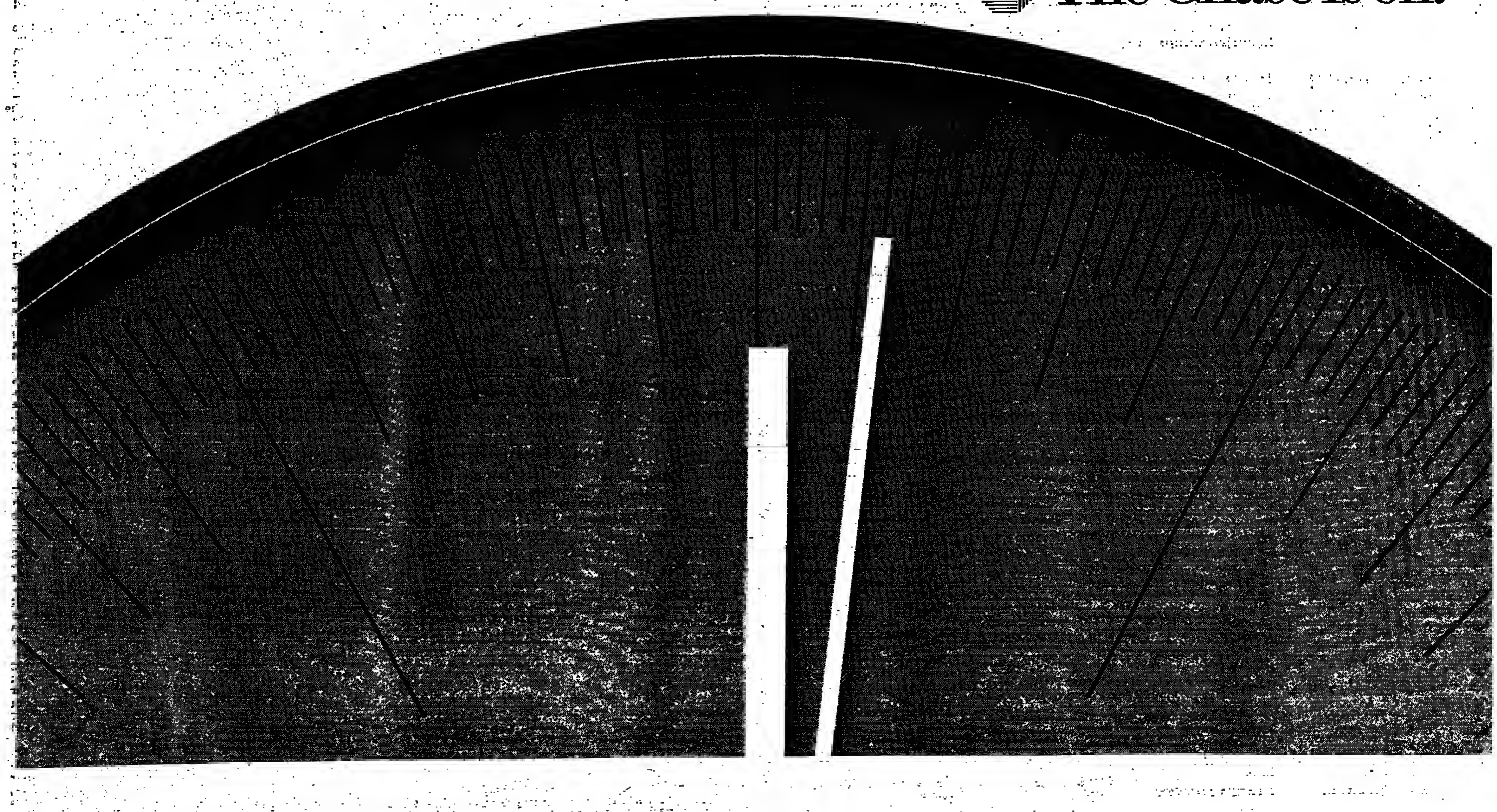
18 wounded to be flown home

MONTEVIDEO — The British hospital ship Hecla, carrying 18 wounded British servicemen and 24 Argentine seamen taken prisoner in the South Atlantic, docked here yesterday. No communication was allowed with those on board, but one sailor held up a sign saying "Love to all at home."

The survivors of the Argentine trawler Narwal, sunk by British aircraft in the war zone on May 2, were immediately taken to an Argentine naval ferry for the trip to Buenos Aires across the River Plate.

The British wounded, five of whom are aaid to be in serious condition, were to wait aboard Hecla pending transfer to a Royal Air Force VC-10 for the flight to Britain.

Reuter



Japanese take wind out of French sales

BY DAVID WHITE IN PARIS

Woody Herman in action: Tokyo could soon change the tune

A SMALL hrass door-plate, two flights up a dingy staircase from an anonymous street entrance, between a puhlie hath and a Kung Fu cinema, bears the name of one of the world's few surviving specialist flute makers, M Jacques Lefèvre, and his trademark, Jack Leff. He says he is "the last of the Mohicans."

French flutes, onre unbeatable, have been swept aside by a Japanese flood. Surrounded hy instruments, including some of his own inventions, in two small rooms which he ahares with two assistants. M Lefèvre feels relatively sbeltered. At his top level—his flutes sell for up to £3,000 each, and that does not include the occasional 18-carat gold model—even the Japanese have to do things by hand, be says, and they are actually more expensive.

But the main part of the market is dominated by imports. Famous French names—such as Lot, wbere M Lefèvre's father worked—have vanished. It is a small but telling example of bow a traditional sector, in this case dating back to the Renaissance, can fall prey to Japanese competition, in terms not only of price hut also of quality.

It is feared that the same may be about to happen to woodwind instruments. French clarinets and oboes are renowned and, even if importers are well-placed in the lower price brackets, still produce a tidy trade surplus. The same goes for saxophones. Wind instruments as a whole are by far the biggest and most dynamir part of a music industry which has been decimated since the last century.

Long-estahlished instrument makers have collapsed or—like the three traditional French piano-builders—heen swallowed up by foreign interests. In most other specialities (even accordions, swamped this time by Italian competition), there are only one, two or three small manufacturers left to keep the expertise alive.

The wind sector, by contrast, still boasts some top names and at least four industrial-scale companies. Towering among these is Selmer, with 500 employees and annual sales of around FFr 100m (£90m). It is run by three grandsons of the founder; another relative set up a Selmer company in the U.S., which has outgrown its French cousin.

The Paris-based concern is alone in France in producing almost the whole range of brass and woodwind. Its instruments are favoured hy military bands from Africa to Argentina, and three-quarters of its production goes overseas.

Production-line techniques have been streamlined over the years, but M Georges Selmer, the chairman, helieves there are limits to mechanisation. Much of the assembly finishing and polishing process still needs to he done manually.

Despite the high cost, Selmer and other manufacturers see little danger at the really top level, at least for the moment. For the best clarinets, for instance, they ronsider that the only competition comes from each other.

But wbereas Selmer has managed to keep growing, the impact of competition is keenly felt at the more specialised company Leblanc-Noblet. It makes instruments, mainly clarinets, both for professionals and, under the 230-year-old Noblet trademark, for students.

Production, varying between 12,000 and 15,000 units, is stagnant, says M Léon Leblanc. Exports are down, and the 220 workers have already heen asked to take their newly acquired fifth week's annual holiday. The company still has flutes in its catalogue—as does Selmer—but makes less than a third as many as it did five years ago.

The manufacturers' first problem is labour cost. M Leblanr reckons it accounts for 80 per cent of his total production costs. Then there is the cost of materials. Although the South of France contains a treasure-trove of reeds for clarinets, oboes and bassoons, the ebony comes from Tanzania and is rare and expensive.

All have experimented with synthetir substitutes for wood or nickel-silver (M Lefèvre says be even tried a transparent plastic piccolo) but are wary about the results. "You'll never see an artist playing a plastir clarinet," says M Selmer.

Economies of scale have been hindered by an underdeveloped domestir market. Although there has been rapid progress in recent years—a bid to disprove what M André Malraux, de Gaulle'a Culture Minister, once said about the French not being a musical nation—music teaching has long heen sadly neglected in the French school system.

With limited local outlets, manufacturers have had to export and / or — as a safer source of guaranteed margins—to import. Leblanc-Noblet now claims to be the only one of the main companies to sell solely what it makes. A rival such as Buffet-Crampon — another Normandy company, taken over last year by the UK music firm Boosey and Hawkes —provides it with competition not only through its own products but also through imports.

As competitors, the diversified Japanese groups such as Yamaha can flex commercial, financial and industrial muscle and, through incentives to music teachers, corner a large part of the growing market. The French companies concede that Japanese instruments have been getting better and better. "I've been to Japan and seen the same machines as ours," says M Leblanc, "only theirs are automated."

Import barriers seem to be out of the question, if only for the reason that Japan is a prime client for quality French instruments. Leblanc-Noblet actually sells there through Yamaha.

A report by the Commerce and Crafts Ministry two years ago already warned about the threat posed by Japan, through "the dumping practised by its main firms and their considerable financial means." An inter-ministerial plan for the wind sector is expected to come out during the summer—the main idea behind it being the need for restructuring.

There have already been precedents, such as the launching of a new piano company, Rameau, in the early 1970s, and recent moves to regroup string instrument makers.

M Lefèvre's instinct for survival has already taken him —as from January this year—into a link-up with Buffet-Crampon, which now does some of his finishing work and has made room for a slightly cheaper range of Leff flutes.

But the trouble is that few in this sector are willing to budge. M Selmer thinks regrouping may not be a bad thing for the smaller companies, but he wants to keep Selmer as a family business.

M Leblanc is more categoric: he places no hopes in a reorganisation of the industry. "I don't see what the Government could do," he says.

Sole British success in Nigerian project

BY QUENTIN PEEL, AFRICA EDITOR

STIRLING INTERNATIONAL, the British-based civil engineering contrartor which has just won a share in a $350m (£194m) rontrart for part of Nigeria's new $2.5bn standard gauge railway, ranks among the top 10 construction industry exporters in Britain, but bas no contracts within the UK.

From a head office in Mayfair, and a design office in Rome, the company is now responsible for an annual turnover of some $320m from a string of road, airport, dam-building and other civil engineering contracts in Africa and Latin America.

The Nigerian railway contract, won by Stirling International in a consortium with its Nigerian subsidiary, Stirling Civil Engineering Nigeria, and Impresit, a major Italian shareholder, is the largest won by the group.

It is one of six now awarded hy the Nigerian Government for the new railway to be built from Port Harcourt to the steel works being built at Ajaokuta, on the banks of the Niger river.

The success of the Stirling consortium represents the only direct British success in the huge railway project, although even that British link is somewhat tenuous: Stirling International of the UK is wholly-owned by Sterling International of the Netherlands, which in turn is rontrolled by Italian shareholders, include Impresit, part of the Fiat group.

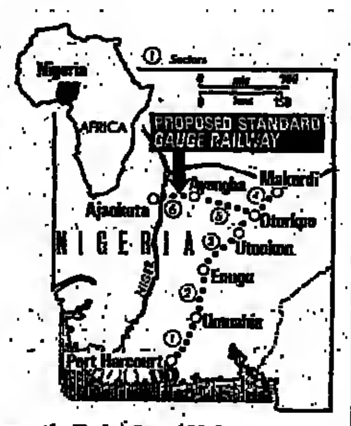
The other five contracts went to companies from France (Dumez and Dragages et Travaux Publics), Brazil (Paranapanema), Yugoslavia (Partizanski), and a Chinese-Swiss consortium including Noga and Elektrowatt of Switzerland, and the Chinese Civil Engineering Construction Corporation.

British exporters — including British Steel — are, nonetheless, well placed to win orders both from the Stirling consortium and the Chinese-Swiss consortium. Finance for both contracts is being arranged by British bankers — Lloyds Bank International and Morgan Grenfell — with backing from the Export Credits Guarantee Department for any British procurement.

Stirling Nigeria currently has 13 contracts under way, all of them road contracts, apart from work on the Dadin Kowa dam in Bauchi state. The subsidiary is much the largest in the group, with a turnover of some $200m annually.

The company was also responsible for the last railway line built in Nigeria, the spur of the traditional narrow gauge system from Jos to Maiduguri.

Other African contracts which the group has won in the past month include the new international airport outside Mbabane, the capital of Swaziland, worth £12m, partly financed by the World Bank, and preliminary work for the Morupule power station in Botswana, worth Pula 6m (£3.2m).



The group is also active in East Africa, where it has subsidiaries in Kenya, Uganda and Tanzania, and more recently in Latin America.

Major contracts in Colombia include a $100m job for rehabilitation of the Bogota-Medellin road, and a share in the Betania hydro-electric scheme.

Japan timorous, Thorn says

BY LARRY KLINGER IN BRUSSELS

JAPAN'S latest trade liberalisation programme aimed at defusing its economic quarrels with the EEC and the U.S. is likely to prove insufficient, M Gaston Thorn, President of the European Commission, said in Brussels yesterday.

While emphasising that neither the Commission nor the EEC member states bad, as yet, fully evaluated the Japanese programme, M Thorn said that, in his view, the measures may "fall far sbort of what is necessary."

Japan, whirb, according to the Commission, has registered an almost constantly growing trade surplus with the EEC to reach more than $12bn (£6.6bn) in 1980, announced at the end of last week a trade liberalisation package that would abolish or cut import tariffs on a range of products. The items affected, the Japanese said, accounted for 8.8 per cent of Japan's imports last year.

Speaking before this weekend's seven-nation economic summit meeting at Versailles, which will include Japan along with the larger EEC states, the U.S. and Canada, M Thorn said that, while the Japanese plan could be seen favourably as a move in the right direction, it was clear that the Japanese were still being "a little too timorous."

M Thorn had similar feelings towards aspects of U.S. poliry. He returned to the attack over the high level of U.S. interest rates, calling for "budgetary rigour" in the U.S., and a greater effort by the Reagan Administration to sbare its responsibility engendered by the power of its reserve currency.

Admittedly, the U.S. drive to control inflation had been necessary. However, the U.S. bad "broken the back of inflation, but interest rates have not gone down for a year."

India cuts export duties on 100 items

The Indian Government yesterday cut export dnties by varying amounts on over 100 items in a bid to increase foreign exchange earnings from capital goods, romponents, project exports and other categories, writes K. K. Sharma in New Delhi. This follows a number of incentives given to exporters in the last hudget of the government presented on February 28. Since then the Finance Ministry has been studying the export duty structure.

Ford claims Escort was best seller last year

Ford claims that its front-wheel-drive "world car," the Escort, was the world's best-selling car in 1981 with production reaching 823,000, writes Kenneth Gooding. In second place, according to the Ford statistics, was the Volkswagen Golf, with production totalling 759,000. The Escort, launched throughout the world in September 1980, replaced the Toyota Corolla as the world's best-seller.

N. Zealand and Iran sign lamb-for-oil deal

New Zealand and Iran have signed a lamb-for-oil deal worth about NZ$160m. The deal has been on-and-off for several months, and only a month ago the Iranians said they were no longer interested, writes Dai Hayward in Wellington. But yesterday a jubilant New Zealand Meat Board announced a contract had been signed with Iran's Government trading corporation.

Tokyo opens 'windows' for businessmen

By Charles Smith, Far East Editor in Tokyo

TWO JAPANESE business associations dealing with banking and insurance have opened "windows" to handle enquiries from foreign companies wishing to do business in Japan.

The Federation of Bankers' Associations and the Life Assurance Association of Japan said they had been reqnested by the government to do something to help foreign businessmen. A plan to open "information windows" for foreign banks, insurance and securities companies, was announced in last week's eight-point trade liberalisation package.

A spokesman for the Federation of Bankers' Associations said yesterday that the association had begun handling queries — in English — from foreign banks.

Free speech through body language

By Anatole Kaletsky in Washington

THE U.S. constitution provides Americans with an (almost) inalienable right to topless entertainment. Waitresses and dancers who wish to appear nude, or at least semi-nude, in bars and places of public entertainment are exercising their rights to free speech under the constitution's hallowed first amendment. A state or local authority can only regulate such entertainment if it amends its state constitution to provide it with special powers to do this.

These are the conclusions of a five-year courtroom battle between the state of New York and a group of tavern owners in the upstate city of Buffalo. Like many of the great dilemmas of U.S. life and morals, this one came down to a clash between two parts of the constitution and between the rights of states and of the federal Government.

On Tuesday the U.S. Supreme Court made its final determination between the first amendment's guarantees of free expression — even through the use of body language — and the right of states, under the 21st amendment of the constitution, to attach conditions to the sale of liquor in public premises.

Surprisingly, the court's decision that the New York state Liquor Authority could not stop waitresses in bars taking their clothes off for their clients' amusement was not a throwback to its 1960s reputation for exotic liberalism. On the contrary, it was a victory for the normally conservative states' rights movement.

The court found that the New York state constitution took precedence over the U.S. constitution on this issue. Both constitutions have a free speech amendment, but unfortunately for New York's prudes, the state constitution has no analogue of the 21st amendment, which was introduced by the federal Government at the end of prohibition.

Thus "the 21st amendment has no application," the Supreme Court decided. So, unless New York legislators amend their own constitution, the state's 100 topless bars can go on exercising their constitutionally guaranteed freedoms.

Baker unable to end Taiwan arms sales dispute

BY TONY WALKER IN PEKING

SENATOR HOWARD BAKER, Republican leader in the U.S. Senate, yesterday said he had been unable to resolve Sino-U.S. differences over American arms sales to Taiwan.

In Peking he told Deng Xiaoping, Communist Party Vice-Chairman, that there was virtually no chance of any revision to the controversial Taiwan Relations Act which provides a framework for a continuing relationship between the U.S. and Taiwan.

China has bitterly denounced the Act, which provides for certain security guarantees to the Taiwanese, as an infringement on its sovereignty. Peking has warned that if the U.S. continues to sell arms to Taiwan it will downgrade relations.

"I would not support a major revision or any revision of the Taiwan Relations Act at this point." Senator Baker told a Press conference yesterday. This had been made clear in his talks with Mr Deng.

Meanwhile, Zhao Ziyang, China's Premier, has given a pessimistic assessment of the state of negotiations between Chinese and U.S. officials on the Taiwan issue to Zenko Suzuki, his Japanese counterpart.

"Negotiations have achieved no results so far," he said in Tokyo earlier this week. "U.S. Vice-President George Bush's visit to China has promoted the two sides' understanding of each others' stand. Thus the talks were conducive. But so far the U.S. side has made no steps forward to solve the question of arms sales to Taiwan.

"Differences between the two sides remain to be settled and the crisis has not passed."

Again in Tokyo yesterday Zhao Ziyang said: "If the U.S. persists in selling arms to Taiwan, it would have a very serious negative effect on relations between China and the U.S."

In Taiwan, Republican Senator Barry Goldwater said Congress would strongly resist amending the Act. He accused Peking of trying to bully the U.S. into abandoning Taiwan and of planning military moves against the island.

Mr Bush visited Peking last month for talks on the vexed Taiwan issue. He left saying he had a clearer idea of China's objections to U.S. policy, notably continuing arms sales to Taiwan, and said he would relay to President Reagan Chinese concerns.

Senator Baker said yesterday his meeting with Chinese leaders was "candid and forthright." This was particularly the case with respect to the provisions of the Taiwan Relations Act, including the sale of arms to Taiwan.

"It was apparent from our discussion that the Chinese were keenly aware of the Senate's role in connection with the Taiwan Relations Act—not only its passage, but as well in its implementation."

Senator Baker said the question of the Act was discussed at length with Mr Deng, but he would not go into details about those discussions.

Asked to assess the state of Sino-U.S. relations, Senator Baker said: "I think there's a good solid basis on which we can build even better relations between the U.S. and China. I don't think the present difficulties and disagreements on the Taiwan Relations Act and arms sales are likely to prove a permanent impediment to the improvements of relations.

"The situation at this time clearly is one of delicacy. There is a strain in the relationship between our nations on these issues, but I think the friendship and mutual advantage far outweigh the disagreements and the tension between us

"The first thing is to make sure we keep our cool on both sides."

● Howard Baker (right)

Reagan sets off for Europe

WASHINGTON — President Ronald Reagan set off yesterday on his first European trip since taking office, declaring himself proud to represent the U.S. and promising to try to bolster the unity of the major industrial democracies.

Embarking on a 10-day tour, Mr Reagan made a farewell speech to 200 top-level government officials.

"I can only tell you that I shall be more proud than I've ever been of anything to be there representing the U.S. with an opportunity once again to express to all of the world what it is we think we represent, what it is we want for all the people of the world," he told the cheering audience in the White House.

The trip includes two summits — an economic conference in Versailles and a Nato meeting in Bonn.

"There's been nearly a decade of troubling events and uncertainty among the allies and ourselves," the President said, "but today there is a regrowth of unity and purpose.

Mr Reagan said the alliance had "weathered threats of aggression and internal disagreements, but we've maintained a sense of unity and a commitment to freedom and we're still being tested possibly more now than ever before."

AP

U.S.-Chinese nuclear cooperation possible, says Stoessel

BY ANATOLE KALETSKY IN WASHINGTON

AN AGREEMENT on nuclear co-operation between the U.S. and China may be one of the benefits of closer relations between the two countries, according to Mr Walter Stoessel, the U.S. Deputy Secretary of State.

Over the past year there has been notable progress in four key areas of U.S.-Chinese relations — technology transfer, arms transfers, legislative restrictions on trade and investment and consular and diplomatic relationships—Mr Stoessel told the National Council on U.S.-China trade.

This progress has at times "tended to be obscured" by the controversy over U.S. arms sales to Taiwan, which China regards as an intrusion into its internal affairs. But Mr Stoessel predicted that there would be a "durable long-term partnership between the U.S. and China," based on "common strategic perceptions" on the Soviet Union and mutual economic benefits from a deepening bilateral trade relationship.

The U.S. has a strong national interest in contributing to China's modernisation, Mr Stoessel said, both because of the business opportunities this could provide for U.S. industry and for geopolitical reasons.

Accordingly, there has been a dramatic rise in U.S. exports to China over the past year. Between July 1981 and March 1982, 1,203 export licence applications for China had been approved, an increase of 40 per cent compared with the previous year, Mr Stoessel said.

China's co-operation on nuclear technology, on which the two countries have been conducting discussions, was one of numerous examples of closer links Mr Stoessel mentioned.

Its significance is that China's possession of nuclear weapons had been thought to rule out most types of nuclear co-operation between the two countries. However, China has in the past expressed interest in nuclear co-operation and is thought to be considering the construction of two 900-Mw reactors in Guangdong province, near Hong Kong, if it can obtain Western technological assistance.

China is now the 14th largest trading partner of the U.S.

U.S. mortgage foreclosures at record level

By David Lascelles in New York

THE NUMBER of U.S. homeowners who are behind with their mortgage payments has reached a record level, the Mortgage Bankers Association reported yesterday. As a result, foreclosures are also running at the highest level.

According to the association's latest quarterly survey, the foreclosure rate was running at 0.53 per cent of total loans in the first three months of this year, up from 0.41 per cent in the final quarter of 1981.

Although mortgage rates have declined to about 16¼ per cent from nearly 18 per cent at the turn of the year, they are still exceptionally high. Because many American homeowners have fixed rate mortgages, being behind on payments is usually attributed to the rise in unemployment rather than directly to higher interest rates.

Scrapping of car safety rule illegal, says court

BY CHRISTOPHER PARKES IN WASHINGTON

THE REAGAN Administration acted illegally in scrapping a rule to force manufacturers to fit all cars with automatic safety equipment, the U.S. Court of Appeals has ruled.

The decision, taken last October during President Ronald Reagan's review of government regulations, was "arbitrary and unlawful," the court said.

In an unusual ruling, however, the court gave the National Highway Traffic Safety Administration (NHTSA) — the agency which threw out the requirement — 30 days either to come up with better reasons for rejecting it, or to implement it "on a timely basis."

The rule would have required all new cars to be fitted with either dashboard and steering column self-inflating airbags or automatic seat belts designed to slide across the occupant's lap and shoulder as the door was closed.

Manual belts are still required in all passenger cars, although there is no requirement for their use.

The so-called passive restraint rule was first proposed in 1969 and strongly supported by consumer activists. But it was not until 1977 that the Carter Administration ordered its phased implementation.

It was regularly attacked by Mr Reagan during his presidential campaign and after he took office was placed close to the top of his anti-regulatory administration's "hit list."

The Appeals Court judges counter-attacked this week, saying the NHTSA's action last October took more account of the interests of the car industry than of road safety, which is supposed to be its prime concern.

"One out of every 60 children born today is expected to die in an automobile accident and two out of every three will suffer injuries in a crash," the judges said.

The National Association of Independent Insurers welcomed the court ruling, claiming that automatic safety devices—if fitted—would save 10,000 lives a year.

The motor industry, however, has long claimed that people would uncouple the automatic restraints which would cost twice as much to install as manual belts. The NHTSA adopted this argument when it scrapped the rule last year.

Surveys show that only about 10 per cent of U.S. drivers use manual belts. Car makers gave up development work last year on airbags on the grounds that they would be too costly and unreliable. They continued work, however, on automatic belts.

'Disband killer corps' call

SAN SALVADOR — Politicians and newspapers here are demanding that the Civil Defence Corps, a paramilitary organisation of rural guards blamed for a number of recent civilian murders in El Salvador, be disbanded or militarised.

Eighteen guards are currently under arrest in connection with the deaths, including the mass murder of 22 people and the killing of four Christian Democrat mayors and eight other party workers.

The killings this month aroused public reaction from both Christian Democrats and Conservatives. The Civil Defence Corps has set up two years ago by the Defence Ministry to help to fight a Leftist guerrilla insurrection that has cost 34,000 lives in the past 31 months.

The rural guards are armed with old rifles and pistols. Their number is unknown, but estimates run from 5,000 to 12,000. Many are believed to be members of Orden, another ultra-Rightist paramilitary rural guard disbanded two years ago after being blamed for a large number of political assassinations.

Leaders of the Christian Democratic Party, which lost power to a loose coalition of four conservative parties during elections for a constituent assembly on March 28, are blaming "Rightist forces" for creating a "climate of permissiveness" for the murders.

"The Right has the feeling that success in the election has given them space for new paramilitary actions," the Christian Democrat Assembly member Roberto Viera said last week after three guards arrested in connection with one mayor's murder were identified as members of Assembly Speaker Roberto d'Anbuisson's ultra-Rightist Republican Nationalist Alliance.

But the Alliance secretary general, Mario Redrelli, denied all responsibility. "We didn't ask everybody who signed our party book: 'Are you sure that you're not going to shoot somebody?' We cannot control what goes on out in the boondocks," he said.

AP

John Laing pays £161,000 to former director

BY RAY MAUGHAN

JOHN LAING, one of the largest building and civil engineering groups in the UK, bas paid £161,000 to a former director.

The compensation, whicb includes pension contributions, is believed to have gone to Mr Graham Parsons, who was chief executive until the end of May last year.

Mr Parsons' departure was followed by a series of board-room changes in November, 1980, with the result that Mr L. J. Holliday, a Laing employee since 1947, was appointed chief executive with effect from the start of 1982.

Mr Holliday is to take over the chair from Sir Maurice Laing after the annual meeting of the company on June 24. Sir Maurice will continne in a non-executive capacity and will assume the title of "president."

Sir Maurice tells shareholders, in his valedictory report for 1981, that "the board has been greatly strengthened since we made major changes at the end of November 1980, six new executive directors baving been appointed. We anticipate widening the board further, by the appointment of two non-executive directors of wide experience."

The group is to submit an ordinary resolution to the annual meeting recommending that the maximum aggregate remuneration of the directors, stated in the article of association, be trebled to £75,000.

The directors add that the maximum aggregate ordinary remuneration was fixed at its present level in 1978 "and the proposed new limit bas regard to inflation and to the possible appointment of non-executive directors for whom this remuneration is intended."

Sir Maurice says that "1981 was a year devoted to recovery." Pre-tax profits last year climbed from £3.2m to £6.2m althougb profits in 1979 amounted to £11.3m before tax and to £14.8m the year before.

IBA says it should run cable television system

BY ARTHUR SANDLES

THE Independent Broadcasting Authority says it is the right organisation to be the governing body for cable television. It has declared itself against cable TV advertising or anything that "damages" ITV or BBC basic services.

In evidence to the Hunt Committee on cable television, a committee required to report to Government by the autumn, the IBA indicates the clear concern beld by traditional broadcasters about the impact of new technology.

The IBA evidence says that the authority does not wisb to stand against change, but "the national interest demands that cable developments should not be allowed to undermine the standards of nationwide off-air public service broadcasting."

Initially at least cable systems would be restricted to major urban areas, it says.

The IBA suggests that to maintain standards cable companies be forced to carry the four IBA-BBC channels and the whole cable system be subject to regulation by a supervisory body.

"We believe that the IBA itself has the relevant experience, sensitivity and knowledge to be the supervisory body."

On finance, a system whereby the BBC gets a licence fee, the ITV companies advertising revenue, and cable lives on subscription income is a good one, it says.

"Risks of serious economic damage, particularly to independent local radio, and the local press dependent on local classified advertising" are mentioned, but "Our concern is that competition for the same source of advertising revenue between Independent Broadcasting and cable services would be bound to diminish the range and quality of programmes."

Exemptions from 'dawn raid' rules defended

By John Moore, City Correspondent

THE Council for the Securities Industry, the City of London's main self-regutory body, has defended its controversial decision to exclude agreed takeover bids from its new rules curbing the lightning purchase of large blocks of shares in companies.

In its annual report and accounts, published yesterday, the CSI said the rules would exclude takeover bids recommended by the target company, although "there are arguments both for and against this course of action."

The CSI justifies its decision in three ways.

● The board of the target company should bave time to consider any offer and give advice to ahareholders. If the target company is recommending the bid, "that requirement has been met."

● A "shut out bid"—giving ahareholders no chance to accept any other offer because of the agreement of both the bidding and target companies—may frustrate a higher offer in immediate cash terms, says the CSI. But in the great majority of cases, the board of the target company acts in the best interests of the company and of its shareholders and employees.

● Unless exemption is given, a merger desired by both sides may never take place, because the bidder may not be prepared to enter a contest.

The CSI introdnced its rules when it became clear that *companies mounting* takeover bids were able to make substantial share purchases in the stock market, so that control of a target company could pass into a bidder's hands before it had had any time to respond formally to the offer.

The CSI describes a report on investor protection commissioned by the Department of Trade and nrepared by Professor Jim Gower as "a thought nrovoking discussion paper. This has had the effect of stimulating the City into useful discussions on fundamental issues regarding the supervision of the securities market."

The CSI does not respond to specific negative points which Professor Gower raised about the CSI.

BP petrol up by 7p, more rises possible

BY SUE CAMERON

BP OIL, the third-biggest petrol company in the UK, pnt up its pump prices by an average 7p a gallon at midnight last night in an attempt to stem the losses it is making on its refining business.

It warned motorists that it will raise prices by a further 2p to 4p a gallon if plans to add an extra $2.50 to the price of North Sea marker crude go ahead.

Shell and Esso, who together lead the British petrol market, are expected to follow BP Oil's lead within the next few days. Shell said yesterday that it was merely trying to decide "when and how much" to raise its prices.

BP's move will take average petrol prices at its urban sites from about 161p for a gallon of four star to about 169p. In country areas, where prices are already higher than in towns and cities, the average increase is likely to be nearer 6p a gallon. BP expects rural prices to go from about 166p or 167p to between 172p and 173p.

The company last night stressed that it needed average prices to rise to 176p a gallon before it would start to break even. It insisted that this round of increases was not related to the British National Oil Corporation's proposal to raise the price of North Sea marker crude from $31 to $33.50 a barrel.

"A $2.50-a-barrel crude increase would be likely to lead to further product price rises, possibly on all products, right across the board," BP Oil said.

If the whole of the crude increase were placed on petrol, pump prices would probably go up by another 4p a gallon. If the crude increase were spread across the board then all products, including fuel oil, heating oil and petrol, would probably go up by about 2p a gallon.

BP Oil has forced through its latest price rise not by increasing wholesale prices but by cutting the subsidies it has been giving to dealers. The company has reduced the general subsidy given to all dealers and has abolished the special subsidy which urban gareges have been receiving.

The subsidy for retailers in towns and cities—where competition at the pumps has been fiercest — has been costing the company £1.5m a month.

BP's move follows Texaco's decision to end almost all price support for its dealers. As a result, Texaco's pump prices rose by an average of 7p a gallon to about 169p on Monday night.

Discussions between the oil companies and BNOC over the proposed $2.50 increase in the price of North Sea crude are continuing. BP has made it clear that it does not think oil product prices warrant an increase in the crude price at present. However, it has asked for a meeting with the corporation before the end of the week.

Shell has already started talks with BNOC. The company is thought to have said that it will reluctantly go along with the proposed price increase—if the corporation agrees not to institute a further price rise for crude next month. Such a negotiating stance would be in contrast to the attitude of BP, which believes crude prices should not be artificially controlled.

Esso has not yet replied to the corporation, although it supports the proposed price rise. It said yesterday that there were "some points of detail still to be resolved."

Oil companies surprised at increase in deliveries

BY SUE CAMERON

MAJOR OIL companies said yesterday they were mystified by official energy statistics showing that the volume of UK petrol deliveries between February and April this year was 4 per cent higher than during the same period last year.

The provisional figures, released yesterday by the Department of Energy, indicate that 4.75m tonnes of petrol were delivered to garages compared with 4.57m tonnes last year.

The oil companies have always insisted that petrol is largely "price inelastic" — meaning that the volumes sold are not much affected by pump prices.

Shell and Esso expressed *surprise at the figures.* Shell said it did not think the long-running price war at the pumps would have led to an increase in petrol deliveries of more than 2 per cent.

But BP Oil, which last night increased its pump prices, said the rise in deliveries was the result of cheap pump prices. It pointed out that last November average pump prices were about 172p a gallon but by the middle of February this year they had slumped to 155p.

The department's figures show that, overall, the UK used 1.3 per cent less energy between February and April this year than in the same period last year. Coal consumption fell by 6 per cent, the use of natural gas rose by 2.3 per cent and overall consumption of oil remained the same.

Production of indigenous primary fuels was 3.8m tonnes of coal equivalent higher than last year—an increase of 4.1 per cent.

Sherpa facelift reflects new management approach

John Griffiths looks at a shake-up in BL's commercials operation

A NEW RANGE of Sherpa light commercial vehicles will be launched by Freight Rover later this month in what is *more than a face-lift operation.*

For while BL's senior management has spent much time banging the drum about the rebirth of its cars business since the launch of Metro nearly two years ago, the overhaul of its less glamorous light commercials operation has gone almost unnoticed.

Freight Rover was formed a month after the Metro first went on sale. In line with Sir Michael Edwardes's policy of greater autonomy for BL's manufacturing companies, it became a separate unit, responsible for its own production and marketing, within the Land Rover group.

Mr Tony Gilroy, previously product planning chief for BL Cars and responsible for bringing Metro into production, was made managing director.

Since then, the work force bas been cut by 52 per cent to 1,200 and there bas been no industrial dispute. *Measured* in terms of output per worker, productivity has risen by 27 per cent.

"We have not lost a single vehicle against gross line rate for 18 months. We now hit over 100 per cent of our production programme daily," said Mr Gilroy.

The new Sherpas will be the first really obvious fruit of the decision to remove light commercials from what Mr Gilroy describes as "an after-thought" of BL's volume vehicles business.

They account for a substantial part of the £30m being invested up to 1983, aimed at reversing a slide in Sherpa fortunes in the face of stiffening competition, particularly from Japan, and an admitted poor reputation for quality.

Also, £10m bas been invested in a new paint plant. Started last August, the first phase was commissioned at Easter, three months ahead of schedule. The second, involving final colour facilities, will go on stream later this year. The plant, says Mr Gilroy, will not have a single production operator in the *entire three-storey facility.*

A number of other cost-saving measures have been implemented. Inventories have been cut by an average of 30 per cent. Pre-production prototypes have been built on the line itself rather than in engineering workshops—a move which has brought the launch of the new Sherpa forward by five months and, says Mr Gilroy, saved £500,000.

The shake-up has extended beyond the Birmingham plant. A year ago, Freight Rover had a network of 320 dealers. There are now 350. But the net gain of 30 disguises a total of 80 new appointments. A performance monitoring programme led to some 50 dealers being replaced.

Despite the radical nature of the surgery, Mr Gilroy says only that "the decline has been balted."

One reason is the depressed state of the light commercial markets. From 118,261 sales in 1980, the UK market last year plunged by nearly 17 per cent to 98,700. But the UK manufacturers' share was further depressed by a rise in Japanese imports' share from 16 to 25.6 per cent. Sherpa sales fell 42 per cent from 14,702 to 8,540.

Even before the new range, the signs for revival are encouraging. Total sales in the Sberpa's sector this year are running 18 per cent ahead of 1981, although underlying growth is probably lower because of a major campign by Ford for its Transit in January.

Sherpa unit sales have risen by 26 per cent to 3,133, although market share has risen by only about 1 per cent to 9 per cent. The new range will take Sherpa into unexploited parts of the sector, while next year a 3.5 gross tonnes version will plug another large market gap. The range currently stops at 2.5 tonnes.

Export prospects also appear to be improving. For example, marginal sales in Spain last year, expected to be 100 vehicles, were 1,000 with 1,500 forecast for this year.

The biggest cloud that had been hanging over Freight Rover—and which led to Sir Michael warning last year that "the whole future of Freight Rover might have to be reviewed"—has for the moment disappeared.

That was the Japanese agreement last autumn to restrict light commercial sales in the same manner as cars.

Without that, Mr Gilroy admits, it would have been unlikely that Freight Rover would have a future.

Even now, the amount of unutilised capacity at Freight Rover shows there is a long way to go. Output is 300 a week, against a maximum 900. Mr Gilroy has few illusions about how quickly it can happen. "We cannot expect to tackle Ford head-on—it has had 40 per cent of the market for 15 years.

"Anyone who believes the 1980 level will come back quickly is an optimist. There is likely to be only a gradual increase. In total, there is still far too much capacity."

Local authorities kept down year's rates by £200m

BY ROBIN PAULEY

LOCAL AUTHORITIES in England and Wales kept down the 1982-83 rates, which were fixed at the end of March, by taking £200m from reserves. Most of the money was used by authorities which had council elections in May.

Figures published yesterday by the Chartered Institute of Public Finance and Accountancy show that the 12 inner London boroughs took £57m — or £25 per head of population — out of reserves. The outer London boroughs took £35m, or £8 per bead. The metropolitan districts used £30m (£2.65 per head), English shire districts £51m £1.78), Welsh districts £2.3m (93p) and Welsb counties £11.6m (£4).

Balances

The English shire counties — which, like Wales and two thirds of the English districts, had no local polls this year — drew a surprisingly large £81m, or £2.82 per bead, from balances. That was partly accounted for by the traditional use by counties of balances for capital funding.

The second-tier London authorities — tha Greater London Council, the Inner London Education Authority and the Metropolitan Police — all increased their balances by a total of £58m, or £8.65 per head. English metropolitan counties increased their collective balances slightly — up by £4.4m or 39p per bead. The total draw on balances was £268m and the net figure was £205m.

In inner London, where high rate bills have become an increasingly sensitive political issues, all councils except two — Kensington & Chelsea and Southwark — raided their reserves.

The city of Manchester added £11.8m to its reserves, more than compensating for the fact that every other district in the area took money from halances. Most other metropolitan districts also took cash from their reserves, although Liverpool, Doncaster, Newcastle and Coventry all added.

Anxious

The Treasury has been quietly anxious for some time about fears that an unaccounted £1bn or more may be in local council contingency funds, qnite apart from the £1bn official balances. But some councils, particularly in London, arc running with lower balances than is considered prudent.

Use of balances this year was helped by unexpected housing subsidy windfalls and a more geoerous grant share-out than expected, which put London at the bottom of the rate rise table. Domestic rates rose by only 9.7 per cent in inner London and by 12.9 per cent in outer London, compared to a national average of 15.4 per cent.

But next year, when there will be no elections in London, higher rate rises will he needed to restore reserves—and to start building them up again ready to subsidise a low rate in 1986, the next London borough election year.

Tourist account in deficit for March

By James McDonald

BRITAIN'S travel account went into deficit by £30m in March, with overseas visitors spending £155m here, while Britons spent £185m abroad, according to Department of Trade figures published yesterday.

However, the UK travel account showed a surplus of £25m for the first quarter of this year, because of a £55m surplus in January and a halanced account in February. This compares with a £13m surplus in the first three months of last year.

The number of overseas visitors to the UK in March, at 620,000, was 10 per cent down on a year hefore. They speot 7 per cent less than in March 1981 but more in the first quarter overall. The number of Britons going abroad in March, at 1.06m, was about the same as Marcb last year but their spending of £185m was 5 per cant higher.

There were fewer visitors to the UK in March from Europe, but more North Americans came to Britain than a year ago.

Almost 40 per cent fewer Britons visited North America in March this year, reflecting the greater strength of the dollar. This was offset by a 9 per cent rise in visits to Western European countries outside the EEC.

International Passenger Survey figures for the first quarter of this year show that the number of overseas visitors to Britain, at 1.96m, was 2 per cent more than in the first three months of 1981, while visits abroad by UK residents were 4 per cent higher at 2.83m.

Spending in the UK during the quarter by overseas visitors, at £550m, was 6 per cent higher than a year before

Why the British are staying close to home

Travel agents are suffering their own recession this year. Arthur Sandles reports

THIS COULD be the year that Britain's remarkable holiday hubble bursts after surviving oil crises and recession. The summer of 1982 is bringing bad news for the travel trade.

The number of Britons who have decided not to take a holiday this year, other than simply staying at home, has soared to more than one-third of the population. At the same time, those taking holidays bave cut their costs. One source suggests the cut is more than 20 per cent in pound for pound terms.

Once inflation is included, the implications for the travel industry are disastrous.

When, a little over a year ago, the English Tourist Board asked Britons whether they intended taking a holiday, 62 per cent said yes. This year that figure has dropped to 58 per cent. When the rest were asked if they bad definitely decided against going away, only 29 per cent said yes. This year it ls 35 per cent.

The shock for the travel business this year is that the recession has now hit foreign holidaymaking. For a couple of years it was almost conventional wisdom that, come what may, the British would go on foreign holidays.

It is certainly true that while other tourist generating countries, such as Germany, Sweden and even the U.S. and Japan, saw some shakiness in their foreign travel markets, the Britisb continued to stream abroad.

Last year saw a 9 per cent rise in the number of Britons going abroad for their holidays.

The signs are that all that growth, and more, will have disappeared by the time this year's figures are counted.

The 1981 boom is now seen as the result of a series of factors: the year started with sterling strong; the recession had not really hit the middle income workers who are the backbone of foreign travel business; tour operators were still able to get bargain prices from airlines and boteliers.

Now the pound has dropped in value and the middle classes are as worried and cash-bungry as the blue collar sector. Foreign tours are still being offered at bargain rates, but tour operators have to face problems caused by the Falklands crisis and the prospect of a good summer in the UK.

"Holiday companies are having a tough time at the moment," says Mr Richard Gapper, managing director of Pickfords Travel. "They are caught between rising costs because of a weakening pound and rapidly falling prices as discounts are offered to sell off excess holiday space."

The board's holiday Intention survey suggested a drop in the number of people going abroad from 23 per cent to 22 per cent less than 5 per cent, but the indications are that the real fall for the package tour companies will be much higher—perhaps as much as 10 per cent.

This is partly because the survey is one of intentions, not aotual decisions, and partly because package tourism may be bearing the brunt of the holiday decline. Independent holidaymaking, particularly motoring and self-catering holidays to France, seem to be enjoying something of a boom.

But Pickford's survey confirms the company's suspicions. Its 190 agency branches report that the average price of a holiday booking this year is £170 per person, which is more than 20 per cent below last year'a figure.

"The collapse in holiday prices means a severe set-back for many of the smaller High Street travel agents whose major source of income is a standard 10 per cent commission on every holiday sale," says Pickfords. "They are now earning less than a year ago for selling each holiday, yet overheads have continued to rise steeply."

If the news is gloomy for foreign visits by the British, it seems even less cheerful for domestic bolidaymaking. The board's survey suggests not only that Britain can expect a three point decline in its domestic traffic from 35 per cent of the adult market to 32 per cent but also that this fall will be concentrated on Eogland. Britain's holidaymaking market meanwhile continues to shrink towards London and the South-East as husiness from the Midlands aod the North withers in the chill winds of economic hardship.

In both domestic and foreign markets the hope now is that the Falklands crisis will ease and that people will suddenly turn to the hrochures once more.

"It is the late, late show for August," says Mr Sid Silver, managing director of Cosmos Tours. It may be more than that. "There must now be a growing possibility of some further travel bankruptcies," says Pickfords' Mr Gapper.

No wonder the Good Hotel Guide urges its readers to check whether a property ia still in business before attempting to make a booking these days.

Final trials for Belfast airliner

By Michael Donne, Aerospace Correspondent

THE SHORT 360 twin-engined commuter airliner is moviog towards certification for service later this year.

The 36-seat aircraft, built by Short Brothers in Belfast, flew this week to the U.S. for final trials, including propeller strain, bot temperature handling, noise and final ground handling tests.

Some 15 regional airlines, many in the U.S., bave placed orders for over 100 360s, or are negotiating contracts with Short Brothers.

BA pilots leave cockpit but stay airborne

BY RAYMOND SNODDY

SEVERAL British Airways pilots are this week completing a *training course* at Gatwick Airport to turn them into junior cabin crew.

This weekend the group of 22 co-pilots and first officers will begin serving meals, drinks and duty-free goods on British Airtours flights to Newark, New Jersey, Los Angeles or the resorts of Spain and Greece.

They will continue to draw salaries averaging £14,000 a year, despite being classed as cabin crew grade I, a job with a normal starting salary of £4,500.

The 22 are the first BA staff to be redeployed as cabin crew from a pool of aboot *200 pilots who have* been declared surplus to flying duties. The surplus is caused by the phasing out of such aircraft as the VC10 and the drop in passenger traffic.

Ahont 100 have been redeployed, some as computer programmers, others taking administrative or technical jobs on the ground.

The decision to introduce pilots as cabin crew has angered some staff at British Airtours. Cabin crew at first decided not to accept the pilots, but the vote to take industrial action to back up the decision was split down the middle and the retraining programme went ahead.

Some first officers are angry because they fear the surplus pilots ministering to the needs of passengers may be able to earn more than them.

As cabin crew, the surplus pilots will qualify for extra payments such as bar commission, which can be as mnch as £140 in a good month. They may be also eligible for extended-time payments for working on their day off—usually about £80.

Members of the British Stewards and Stewardesses Association at Heathrow voted last month not to accept surplus pilots as cabin crew and threatened industrial action if any attempt was made to force the issue.

Cabin crews fear that they, and not the pilots, have had to bear the brunt of BA redundancies and accompanying improvements in prodnctivity.

"The cabin crews have saved BA between £14m and £18m. I have seen no figures yet on what the pilots have saved," a cabin crew member at Heathrow said.

Co-op to restructure societies

BY DAVID CHURCHILL, CONSUMER AFFAIRS CORRESPONDENT

SENIOR OFFICIALS from the Co-operativa Union—the co-ordinating body for the co-op movement—are to visit all 160 retail societies over the next three months to draw up proposals for a radical restructuring of the co-op's trading system.

The move follows the overwbelming support at the Co-operative Congress in Brighton this week for a move to slim down the retail movement over the next two years to create 25 large regional societies.

The need for such radical action bas been confirmed by confidential figures circulating among societies at yesterdy's final session of the congress which emphasised the poor trading performance of the co-op over the past year.

The figures show that sales have risen by only about 4.5 per cent—a fall in real terms after allowing for inflation—to reach some £4.2bn. Meanwhile, market share, which five years ago was at 7.1 per cent of all retail trade, slipped from 6.5 per cent to about 6.1 per cent.

The financial reserves of most societies have also taken a beating as a result of the recession and High Street price war.

The decision to visit all retail societies—not just those in financial difficulties—has been taken by the Co-op Union to help pave the way for the restructuring of the movement along regional lines. The union's officials will discuss ways in which each society could participate in a regional framework.

A full report on all the visits will be made to the union executive by the end of the year. It will then decide what further steps are needed.

At the same time as these informal discussions are being held, an increasing number of small retail societies are expected to merge with neighbouring societies. Sucb mergers have already reduced the number of individual retail societies by about a fifth.

Officials from the Co-operative Wholesale Society and the Co-operative Retail Services are also expected to bold informal talks about the possibility of these two bodies merging. This would create an organisation with total sales of some £2.7bn a year and would account for a quarter of co-op retail trade.

CEGB ponders funding N-objection

THE Central Electricity Generating Board said yesterday it was having difficulty in deciding whether to help meet the expenses of objectors to proposals to build Britain's first pressurised-water nuclear reactor at Sizewell, Suffolk.

The statement came during the second day of a meeting, at nearby Snape, designed to smooth the way for a public inquiry into the project next year.

Lord Silsoe, QC, told Sir Frank Layfield, the Environment Department's inspector, that the board's constitution required it to act to behalf of consumers. The board believed it was in the interest of the consumer that the reactor be built, so contribution to the expenses of objectors was questionable.

Documents to support the application had been published very early, Lord Silsoe said. There was irony in giving objectors tha chance to say they would like money from the CEGB to demolish the board'a application, he said. No decision about finance had yet been made, but "it would not be wise for the objectors to assume there will be a contribution," be added.

The callers yesterday for public funds for objectors were headed by Mr John Howell for Friends of the Earth, who said that such funds "might ensure that in the battle with the Goliath of the CEGB, the objectors did have a fling."

He said the CEGB and the nuclear installations inspectorate were frustrating the wishes of the Environment Secretary by not releasing some of the 300 documents, which form the basics of the CEGB's case that the reactor would be safe, in time to give objectors six months for analysis.

Gloomy forecast for glass bottle makers

BY MAURICE SAMUELSON

BRITAIN'S glass container industry is becoming too crowded and the disappearance of one or more medium-sized companies is almost inevitable, it was claimed this week.

Mr Tony McBurnie, managing director of United Glass Containers (UGC), the leading bottle manufacturer, expects further "hard decisions" abont plant closures and rationalisations.

The industry's workforce has been cut by 20 per cent in the past four years. Batween the end of 1979 and the end of last year, UGC reduced its workforce from 10,500 to 7,750. Employment in tbe container division fell from 8,500 to 6,000. The company closed two of its eight plants.

However, Mr McBurnie, ruled out any further closures by his company this year and forecast that next balf yearly results, dua this month, would show a profit. *He also claimed* that UGC was meeting its sales target, although the industry as a whole was 3 per cent down.

According to a recent survey by Euromonitor Publications, United Glass bad 28 per cent of the £378m UK glass container market.

Next came Rockware Glass with 26 per cent, Redfearn National with 15 per cent and Beatson Clark, which specialises in pharmaceutical containers, with 6 per cent.

UGC, owned jointly by the Distillers Company and Owens-Illinois of the U.S., has heen adversely affected by falling whisky sales.

It expects to win a greater share of its business from beer and soft drinks manufacturers, but, like other glass makers, UGC faces long-term competition from cans, and plastic and paper containers.

UGC's rationalisation programme has cut lts lahoor costs from 40 per cent to 30 per cent of its total manufacturing costs. Yet these probably remain high compared with unit labour costs among some non-glass container makers.

On the other hand, the glass makers' estimated 15 per cent overcapacity is far lower than that in the beverage can industry. Imports of finished bottles and jars, now claiming about 8 per cent of the UK market, are another concern.

The Packaging Report 1982; Euromonitor Publications, 18 Doughty Street, London WC1N 2PN. 138 pages; £95.

Metal-coated sales reach £20m a year

BY MAURICE SAMUELSON

METAL-COATED FILMS and papers have achieved sales worth £20m a year, almost a fifth of the value of sales of aluminium foil, their main competitor in the packaging field.

Mr Tony Broomfield, managing director of Camvac, a subsidiary of the Bowater paper group, claims that metallising, which bas spread rapidly ln the past five years, has replaced parts of the packaging field previously held by aluminium foil, UK sales of which are worth more than £100m a year.

Metallising is a process in which a coating, usually of aluminium, is vapourised in a high vacuum and allowed to condense on to film or paper.

Mr Broomfield's claim highlights a controversy brewing in the packaging industry about growth of metallising and its threat to makers of aluminium foil.

The latter strongly deny that matallised materials can become a genuine rival to aluminium foil, which they say has superior "barrier" qnalities.

Metallised materials are increasingly used by the food, cigarette and wine trades for decorative as well as protective reasons.

Technology, Page 12

Highlights of six gruelling days. Left: Two pictures of the Pope with Dr Robert Runcie, the Archbishop of Canterbury, at Canterbury Cathedral. Centre: The Pope greets Cardinal Basil Hume, Archbishop of Westminster. Right: A meeting with the Prince of Wales and Dr Runcie. Far right: Signs of exhaustion, the Pope yawns during a service in Manchester

A joyful pageant offering no prospect of change

The Pope's visit has underlined his inflexibility on traditional dogmas, says **Ian Hargreaves**

POPE JOHN PAUL II's visit to Britain, which ended yesterday was a guaranteed success before the Pontiff raised his lips from the Gatwick tarmac six days ago.

The fact that he came, defying Vatican advice based upon the crude measurement of political constituencies, cast over the visit a cloak of simple pastoral concern, without which the historic drama in Canterbury Cathedral on Saturday would have had less meaning.

Perhaps it was this sense that he was a priest among his flock, rather than a political leader among his supporters, which finally defused the impact of opposition to the visit.

Anti-Catholic feeling may still be widespread in some parts of Britain, but on the evidence of last week, it is for practical purposes dormant. Mr Ian Paisley's political base now exists only in Ulster, which was certainly not the case 10 years ago.

The crowds, of course, were much smaller than forecast, especially given the remarkable weather. But it is hard to imagine anyone or anything else in a televisual society attracting not one but a series of gatherings with headcounts of around a quarter of a million.

But what, it has to be asked when the cavalcade is passed, has been achieved beyond a mass rally for the faithful?

Roman Catholics, if they have looked, will have looked in vain for new teachings. John Paul's homilies, composed by himself in Polish and translated in enough time for him to practice his diction, were stark, rough hewn offerings, delivered with the mettle of a shop steward at a factory gate.

He selected content with an eye to local politics—unemployment in Liverpool, war and peace in Coventry—but avoided controversy.

Some Catholic commentators were pleased at the relative softness of the tone used in the York address on the family, but the pope still castigated contraception as "anti-life." He praised those who are compassionate towards the divorced, without mentioning his own dogged adherence to the principle that divorcees should be barred from the eucharist.

He spoke approvingly of the "greater attention to promoting the dignity of women," but again offered no thoughts on how the church might contribute to this process.

More moving, and perhaps also more substantial given the historic concept of the "just war," was his Coventry sermon against war, which he said was now "totally unacceptable as a means of settling differences between nations."

In short, John Paul did nothing publicly to suggest that it is time to re-assess the widely held characterisation of his papacy as populist but impenetrably conservative in moral and theological terms.

Indeed, the effect of the Pope as lone media star, engaged only in either monologue or the magical link of adulation with his people, has reinforced not only the sense of populism but the isolated authoritarian nature of the papacy.

The incongruity is that it should be this Pope, with these views, who should be kneeling at the shrine of Thomas a Beckett and inviting British church leaders to come to Rome to continue the church unity debate which reached a watershed in March with the publication of the Anglo-Roman Catholic International Commission.

This commission spoke of the possibility of Anglicans accepting the Pope as a "universal primate" without accepting the notion of his infallibility. Other essential steps in the road to unity would be Catholic recognition of the validity of the Anglican ministry and, eventually, intercommunion.

Last month the Vatican's Sacred Congregation for the Doctrine of Faith, a kind of official Vatican think-tank, dismissed the report's findings in large part as "not acceptable as Catholic doctrine."

The Pope, in his many urgent imprecations towards unity during his visit, simply pushed aside the detail. "The Pope is saying that unity is an inescapable objective, but by implication that perhaps he does not understand himself how it will be achieved," said Mr Martin Conway, an Anglican, who is secretary to the British Council of Churches Division of Ecumenical affairs.

Protestant church leaders, who met the Pope privately for about 45 minutes in Canterbury, were able to do little more than list the areas where they feel progress should be made—*for example, making* easier mixed marriages between Catholics and non-Catholics, which now account for 70 per cent of marriages in some dioceses.

The other critical issues are the nature of papal anthority and the understanding of the sacrament of holy communion, although there are many other divisions, such as the position of Roman Catholic schools in Britain, which many feel deepen the gulf between denominations.

To these points, the Pope is said to have responded with an open "let's talk about it," attitude which came as a pleasant surprise to those, especially in the free churches, who expected him merely to smile and move on to the next question.

Clearly, however, it will be a long haul from Saturday's embraces to inter-communion and with the Pope back in Rome, the British protestant churches must turn their immediate attention back to the tricky business of finding unity among themselves.

The debate over the so-called covenant for unity reaches a climax this summer, with votes at the end of this month in the Methodist Church and on July 7 in the General Synod of the Anglican Church.

The United Reformed Church (formed 10 years ago by the merger of the Congregational Union and the Presbyterian *Church of England) has already* voted very narrowly to accept the covenant and the Methodists will certainly do likewise.

The Anglicans, not for the first time, are torn. A determined group, which sees the Church of England's future in the earliest possible alliance with Rome, fears that unity with the free churches, some of which permit the ordination of female ministers, will raise an impossible obstacle in the talks with Rome.

The low-churchmen positively crave unity with the dissenters precisely to scupper the ambition of Dr Robert Runcie, the Archbishop of Canterbury, for unity with Rome by the end of the century.

The synod vote is certain to be extremely close and the outcome probably depends upon whether a few of the Anglo-Catholics can be persuaded to vote for unity.

To return to the Pope's visit, will this group respond to John Paul's yearning to end the "sad years of division," or will they scrutinise the homilies and conclude that this Pope is himself an impassable barrier to Rome's unity with anything other than a very compliant partner prepared to swallow Catholic doctrine more or less whole?

That is the ambiguity Pope John Paul has left behind in Britain.

Big growth in number of council houses lying empty

By Lisa Wood

The number of council houses empty for more than a year, while local authorities tried to sell them, trebled last year, according to a report published by Shelter, the housing pressure group.

The report also says that spending cuts have reduced the support given to first-time buyers by local authorities to an all-time low. Only 6,000 loans for house purchase were expected in 1981-82, compared to 30,000 two years ago.

Out of a total of 24,000 council houses, which had been empty for more than one year last June, 4,500 were waiting to be sold, an increase of 3,000 on the previous year, said the report in Roof, Shelter's housing magazine.

Policies

The figures, from information supplied by English local authorities to the Department of the Environment, showed a number of blind spots in the Government's housing policies, said Mr Roger Matthews, one of the authors of the report.

"Often the Government has no policy to deal with the problems revealed by these statistics," he said. "In some cases its policies are making things worse. For instance, what is achieved by keeping 4,500 council houses empty for over a year so that they can be sold rather than rented? This is a waste of much-needed houses."

According to the report, there were more than 630,000 empty houses in England in 1981. Most of them were in the private sector, where the Government had no policy to get them back into use, the report said.

Of the 24,000 council houses empty for more than a year to June 1981, 12,800 were in Greater London.

Problems of blind highlighted

MORE than a quarter of Britain's blind people live on their own, over a third have an income of less than £2,000 a year, barely a third of those of working age have a job and about half are over 75.

These are some of the findings of a survey into the circumstances of blind people, carried out for the Royal National Institute for the Blind by three market research companies and summarised in today's New Society.

Some people's circumstances were particularly difficult. A blind lady, confined to a wheelchair, had to look after a mentally handicapped daughter in her forties. A 90-year-old woman, lame and blind, was living with an 85-year-old friend with failing sight.

Low incomes were the most obvious problem. Only 4 per cent had incomes of £8,000 or more; more than half earned less than £3,000 a year.

The majority of those questioned had a car available—in most cases at least once a week—and 87 per cent had access to a telephone.

Who are Britain's Blind People? Royal National Institute for the Blind, Great Portland Street, London WC1. Price £5.

STOCK EXCHANGE BUSINESS IN MAY

Worries over South Atlantic put damper on transactions

BY GRAHAM DELLER

THE ESCALATION of hostilities in the South Atlantic contributed to a further contraction in business on the London Stock Exchange during May.

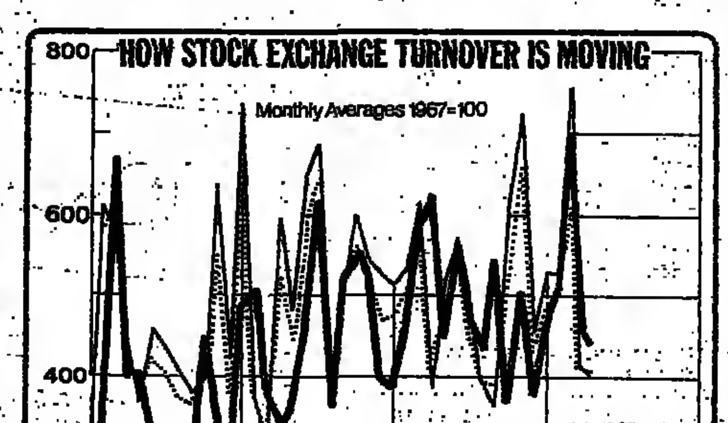
Turnover of £13.37bn in all securities was £230m below the April figure, which was in turn well short of the record of £22.73bn, established in March.

Another dampening factor was that, with two bank holidays during the month, there was one fewer trading day than in April. The Financial Times turnover index for all securities eased to 409.7 compared with 416.6 in April, itself the lowest since last September.

The overall number of bargains continued to fall, and the total of 334,483 was 55,938 below the April figure, but the average value per bargain increased by £5,153 to £39,984.

Business in gilt-edged securities showed only a modest fall of £390m, 3.92 per cent, to £9.5bn. A decrease in short-dated stocks was partly offset by a slight rise in demand for longer-dated stocks and irredeemables.

The apparent failure of the various peace initiatives and continuing military action in the Falkland Islands kept attention away from the two main investment sectors throughout the month. The Financial Times Government securities index moved between 69.41 and 67.67 before closing the month 1.5 points higher at 69.20, the slightly firmer tone owing much to hopes of lower U.S. interest rates.



Equity turnover fell £120m, 4.57 per cent, to £2.46bn, and the number of equity bargains also showed a fall of 51,345 to 241,774, the lowest so far this year.

The Financial Times turnover index for ordinary shares fell to 439.5, while the Financial Times Industrial ordinary share index finished the month a net 12.2 points higher at 587.3, having touched 590.6 on the 14th.

Renewed weakness in the bullion price, down $38 to $324 per ounce, resulted in another poor month for gold shares.

Category	Value of all purchases & sales £m	% of total	Number of bargains	% of total	Average value per day £m	Average value per bargain £	Average number of bargains per day
British Govt. and British Govt. Guaranteed:							
Short dated (having five years or less to run)	5,506.0	41.2	19,449	5.8	289.8	283,099	1,024
Others	3,997.1	29.9	44,369	13.3	210.4	90,087	2,335
Irish Govt.:							
Short dated (having five years or less to run)	650.0	4.9	2,371	0.7	34.2	274,104	125
Others	350.6	2.6	2,838	0.8	18.4	123,536	149
UK Local Authority	238.2	1.8	3,369	1.0	12.5	70,706	177
Overseas Govt.: Provincial and Municipal	27.8	0.2	702	0.2	1.5	39,593	37
Fixed interest stock, pref. and pref. ordinary shares	139.3	1.0	19,561	5.8	7.3	7,121	1,030
Ordinary shares	2,463.1	18.4	241,774	72.3	129.6	10,188	12,725
Total	13,372.0	100.0	334,433	100.0	703.8*	39,984*	17,602*

* Average of all Securities

Off-shore oil groups 'hindering union work'

Financial Times Reporter

TRADE UNIONS recruiting offshore production workers in the North Sea are to complain to the TUC that companies are not following agreed procedures on access and recognition.

Unions claim that they now have to wait too long for gaining access to the platforms, six or seven months in some cases, and that two recent claims for limited recognition after substantial votes in favour were rejected by the companies concerned.

Access to rigs and platforms is governed by a memorandum of understanding drawn up in 1976 between the UK Offshore Operators' Association, unions and the Department of Energy, giving the unions a right of access. But in reality access depends on the discretion of the companies.

Recognition follows a lengthy two-stage procedure agreed between the association and the Aberdeen-based Inter-Union Offshore Oil Committee.

After a meeting earlier with the oil operators' liaison panel, Mr Campbell Reid, secretary of the inter-union committee, said yesterday: "There is not much point in having guidelines if they are not going to be compiled with."

Nn comment was available from the operators' association, which is believed to feel that the agreements are advisory only and individual companies have the right to make their nwn decisions.

Uneasy peace as dustmen call off strike

BY DAVID GOODHART, LABOUR STAFF

A COUNCIL'S 216 dustmen are due to resume work today after voting at a mass meeting yesterday to end the seven-week-old strike against the Tory-run borough's plans to privatise refuse collection.

Union negotiators recommended acceptance of a peace formula after eight bours of talks with Wandsworth councillors last Friday. But agreement could be short-lived.

Union officials said the strike committea would remain, the campaign against privatisation would continue and further strike action was still possible if the council pressed ahead with privatisation.

The peace formula amounts to a considerable climb-down by the two unions involved, the National Union of Public Employees and the General and Municipal Workers Union.

The only minor concession is that the unions will be given details of the 14 tenders for tha refuse contract delivered to the council yesterday. Names of tenderers will not be disclosed.

Wandsworth's director of technical services has also submitted a proposal for reforming the direct labour scheme which will ba considered along with the private tenders at a council committee meeting nn July 12. A final decision will be taken by the full council on July 13.

The reformed direct labour schema recommends an end to a number of restrictive practices and a reduction of the work force to 166. Tbe unions bave not taken part in drawing up these proposals and do not consider them binding.

Mr Maurice Heaster, deputy leader of the council, said: "There will be major savings for the ratepayers whether we accept the new direct labour proposal or ona of the tenders."

The unions have said all along that they are prepared to negotiate on improved prodnctivity but Mr Ian Scott, a local Nupe official, also empbasised that "we are not bidding blind for our own jobs."

Mr Heaster said they would not now be bidding at all for their jobs as tendering had closed. "When tha unions are given the details of the tenders it will simply be an opportunity for further discussion," he added.

Mr Eric Meecham, managing director of Pritchard Induatrial Services, one of the tenderers, said: "It is very sad that the council is allowing the unions to see the tenders at all."

There are precedents for unions seeing tenders both in Wandsworth—in the mechanical workshops—and in Croydon. But Mr Meecham, wbose company already has the tender for street cleaning in Wandsworth, fears that tenders might be used as a bargaining counter with the direct labour force.

If ooe of the tenders is accepted any council dustmen employed by the private company have been assured comparable wages. The dustmen do not bave a no-compulsory redundancy agreement with the council.

Mr Scott said that another part of the peace formula included further talks on severance payments. The council has already set aside £800,000 for redundancy pay — more than double the national minimum per man.

Shop stewards fear British Rail may shut most workshops

BY NICK GARNETT, NORTHERN CORRESPONDENT

SHOP STEWARDS at the Horwich locomtive works in Lancashire, which is threatened by British Rail's proposed cuts, predicted yesterday that the railwaya board could eventually close all but a few of its 12 engineering sites within the next few years.

BR's plsn would involve the total closure of Shildon in County Durham witb the loss of 2,600 jobs, tbe closure of Horwich, except for its foundry with the loss of 2,000 jobs and a partial rundown at Swindon.

Tbe National Union of Railwaymen has given BR until next Monday to withdraw its closure plans or face national industrial action.

Both the Hnrwich action commiffee and Mr David Young, MP for Boltnn East, suggested yesterday tbat a rundown programme among the workshops would be linked to the Government's policy of bringing private capital intn some of BR's subsidiary activities.

Mr Ynung said it saemed as though part of the wnrkshops' activities would eventually go to tbe private sector.

Private money, however, needed a quick return which would result in the wrong type of investments to keep the railways competitive.

Shop stewards yesterday circulated a document, signed by the chief secretary of the Railways Board and laying out the role and responsibilities of Britisb Rail Investments Limited (BRIL), the holding company set up to ontroduce private capital into subsidiary businesses of BR.

They said the document, dated June last year, indicated that privatisation would be extended much wider than BR's hotel and shipping operations and intn engineering work. But BR said last night that this was a wrong interpratation of the document.

Tbe six pages of policy notes fnr board members said that subsidiaries for transference to BRIL are Sealink UK, BT Hotels, excluding Travellers Fare; and BR Hovercraft.

But it also says that "at a later date, other BRB subsidiary businesses or property may be considered for possible transfer to BRIL."

It makes it quite clear thougb that in all the paragraphs discussing BR subsidiaries, they refer solely to Sealink, BR Hntels and BR Hovercraft. This was re-emphasised yesterday by British Rail.

All-out stoppage warning by health workers' leader

BY JOHN LLOYD, LABOUR EDITOR

A SENIOR official of the National Union of Public Employees, the major health service union, warned yesterday that its members were close to withdrawing cover for all services, including accidents and emergencies.

Mr Barry Shnttleworth, Nupe's Midlands divisional organisor, said that meetings with stewards in the large city hospitals showed a growing frustration with the lack of success in improving the Government's 4 per cent pay offer through the present campaign of selective action.

"1 nuever thought it would come to the point where there was a possibility nf complete withdrawal of labour. Bnt the frustration being expressed is such tbat 1 don't know if an emergency service can continue mucb longer," he said.

Support for the health service workers from other groups of workers continues to build up—though many bealth service union officials are reserving judgment nn the effectiveness nf sympathetic action until they see it materialise. The first nf two 24-bour strikes takes place tomorrow, the second on June 8.

In traditionally militant areas, widespread action is planned. A meeting of the Wales TUC today is expected to approve a call for a one-day strike by the South Wales mineworkers on June 16—a strike which is likely to be supported by other public sector workers.

Mr Derek Gregory, Nupe's divisional officer fnr Wales, says that seamen might try to stop ferries nn June 16. He said that most hospitals in the area bad been redneed to accident and emergency cases only.

Mineworkers in Scotland, Leicestershire, Nottinghamshire and Lancashire have promised support either on the picket lines or financially.

Mr Moss Evans, the general secretary of the Transport and General Wnrkers Union, has sent a message to all the nnion's full-time and lay officials, urging backing for the bealth workers.

The message says that Mr Evans will be "using his influence on the TUC General Council" to persuade other unions to take sympathetic action. Mr Evans says his members sbould not cross picket lines, and sbould support demonstrations in their areas.

Some 60,000 members of the National and Local Government Officers Association in Yorkshire and Humberside are being urged to join their 6,000 colleagues in the bealth service on the one-day strike on June 8. The union said last night that local authorities, universities and electricity and gas offices wonld be affected.

Dockers leave

THE Liverpool Docks Labour Board expects to make 280 registered dockers redundant over the next two weeks, bringing to 809 the number released under the special redundancy scheme since Juna 1.

UK ECONOMIC INDICATORS

ECONOMIC ACTIVITY—Indices of industrial production, manufacturing output (1975=100); engineering orders (1975=100); retail sales volume (1978=100), retail sales valua (1978=100); registered unemployment (excluding school leavers) and unfilled vacancies (000s). All seasonally adjusted.

	Indl. prod.	Mfg. output	Eng. order	Retail vol.	Retail value*	Unemployed	Vacs.
1981							
1st qtr.	99.6	88.8	98	106.6	130.8	2,282	100
2nd qtr.	99.0	88.9	92	104.7	134.5	2,482	89
3rd qtr.	99.9	89.8	104	105.5	139.1	2,641	96
4th qtr.	100.3	89.9	90	105.4	168.5	2,752	104
Oct	101.6	91.5	92	106.2	147.8	2,523	99
Nov	100.1	90.0	94	105.6	158.4	2,760	104
Dec	99.1	88.1	83	104.6	193.1	2,769	108
1982							
1st qtr.	99.7	89.4		106.6	141.3	2,817	112
Jan	99.2	88.3	92	107.0	143.9	2,812	112
Feb	99.7	89.8	97	106.1	137.6	2,818	113
March	100.2	90.2		106.6	142.3	2,822	111
April				106.6		2,850	110
May						2,872	107

OUTPUT—By market sector; consumer goods, investment goods, intermediate goods (materials and fuels); engineering output, metal manufacture, textiles, leather and clothing (1975=100); *housing starts* (000s, monthly average).

	Consumer goods	Invst. goods	Intmd. goods	Eng. output	Metal mnfg.	Textile etc.	Housg. starts*
1981							
1st qtr.	93.6	88.3	117.2	84.2	75.7	78.8	10.9
2nd qtr.	93.1	88.7	118.0	84.8	78.7	75.6	14.1
3rd qtr.	93.5	89.3	118.7	86.3	77.2	75.0	14.2
4th qtr.	93.4	90.0	121.3	86.2	82.7	75.6	11.8
Oct	95.0	90.0	124.0	87.0	86.0	76.0	13.4
Nov	93.0	90.0	121.0	86.0	83.0	76.0	14.1
Dec	92.0	90.0	119.0	86.0	79.0	75.0	7.7
1982							
1st qtr.	91.9	91.3	119.4	87.1	83.0	73.7	14.7
Jan	91.0	91.0	119.0	86.0	80.0	73.0	11.4
Feb	93.0	91.0	119.0	87.0	84.0	74.0	15.6
March	92.0	92.0	120.0	88.0	85.0	74.0	17.1

EXTERNAL TRADE—Indices of export and import volume (1975=100); visible balance; current balance (£m); oil balance (£m); terms of trade (1975=100); exchange reserves.

	Export volume	Import volume	Visible balance	Current balance	Oil balance	Terms trade	Resv. US$bn*
1980							
4th qtr.	126.4	111.4	+1,265	+2,114	+222	105.2	27.90
1981							
2nd qtr.							26.73
4th qtr.	132.4	126.4	+552	+1,470	+698	99.8	23.35
Feb	118.9	107.8	+334	+767	+230	105.1	28.43
March		102.9					28.21
April		104.7					28.07
Sept	129.8	129.2	+ 58	+191	+291	99.6	23.70
Oct	132.4	122.2	+296	+602	+ 74	98.9	23.32
Nov	134.4	136.3	− 79	+227	+205	100.1	23.46
Dec	130.6	120.6	+335	+641	+419	100.4	23.35
1982							
Jan	119.5	123.4	−132	+348	+168	101.2	23.23
Feb	125.4	120.6	+174	+654	+270	100.6	23.37
March							18.97
April							18.16
May							17.82

* Trade figures for March-August 1981 not available because of Civil Service dispute.

FINANCIAL—Money supply M1 and sterling M3, bank advances in sterling to the private sector (threa months' growth at annual rate); domestic credit expansion (£m); building societies' net inflow; HP, new credit; all seasonally adjusted. Minimum lending rate (end-period).

	M1 %	M3 %	Bank advances %	DCE £m	BS inflow	HP lending	MLR %
1981							
1st qtr.	6.8	8.8	12.4	+1,308	1,081	1,884	12
2nd qtr.	23.1	17.3	6.5	+4,250	1,103	1,936	12
3rd qtr.	8.1	18.1	29.7	+5,938	868	2,019	
4th qtr.				+2,364	422	1,980	
July	14.2	17.2	19.8	+2,240	290	658	12
Aug	0.8	14.5	35.4	+1,240	244	659	—
Sept	9.7	22.8	34.3	+2,458	334	706	—
Oct	− 4.7	20.2	24.0	+1,425	154	681	—
Nov	7.6	17.3	20.4	+ 460	65	642	—
Dec				+ 479	203	657	—
1982							
1st qtr.				+3,132	967	2,101	
Jan				+ 856	356	654	
Feb				+1,103	347	691	
March				+1,173	264	756	
April				+1,599	437		

INFLATION—Indices of earnings (Jan 1976=100); basic materials and fuels, wholesale prices of manufactured products (1975=100); retail prices and food prices (1974=100); FT commodity index (July 1952=100); trade weighted value of sterling (1975=100).

	Earnings*	Basic matls.*	Whsale. mnfg.*	RPI*	Foods*	FT* comdty.	Strlg.
1981							
1st qtr.	195.3	213.8	212.3	280.4	268.7	261.56	101.4
2nd qtr.	202.2	225.8	219.4	294.0	277.0	245.07	97.8
3rd qtr.	209.9	235.9	224.1	299.1	278.8	260.83	90.6
4th qtr.	214.6	237.3	229.2	306.5	285.6	248.97	89.7
Oct	212.5	238.2	227.8	303.7	282.7	259.12	88.2
Nov	214.3	236.9	229.4	306.9	285.5	245.79	90.1
Dec	217.1	236.8	230.4	308.8	288.5	248.97	90.8
1982							
1st qtr.	216.9	238.0	234.4	311.6	297.7	242.40	91.1
Jan	214.1	238.9	232.9	310.6	296.1	252.94	91.1
Feb	217.0	239.9	234.6	310.7	297.2	241.77	91.5
March	219.5	235.2	235.6	313.4	299.8	242.40	90.8
April		238.4	237.2	319.7	302.6	246.84	90.0
May						237.39	89.9

* Not seasonally adjusted.

TECHNOLOGY

EDITED BY ALAN CANE

Machine research is alive and well

BY MAX COMMANDER

ONE of the highlights of the 1981 year of the Machine Tool Industry Research Association (MTIRA) has been the development work on a microprocessor-based screw-cutting control system in which an electronic controller replaces the change gears to provide a more versatile performance.

Cheering

Not too exciting, you may say, but tha system developed by MTIRA for Dean Smith and Grace of Keighley, West Yorkshire, has been successfully demonstrated and sometime this year should be launched on to the market.

At a time of economic depression and, particularly, when the UK machine tool industry has been in the doldrums, the MTIRA annual report makes rather mora cheering reading.

For example, the Association'a income in 1981 was 16 per cent higher at £929,000 than the previous year; the acquisition of a Hewlett Packard structural dynamica analyser has improved its work on the dynamic behaviour of machine structures; and the Association's work on machine tool chatter, resistance, vibration, noise, thermal distortion, etc., has been much in demand.

That is the good news, but as W. R. Vaughan council chairman of MTIRA says: "No sector has been harder hit than ours; none has more meagre promise of swift recovery. Some of our great names have succumbed, most have been forced to cutback on labour and resources.

"But although the companies, which were formerly members of MTIRA, may have changed they have maintained and renewed their membership."

Skirmishes

Mr Vaughan concludes by saying that 1981 was a period of aavage skirmisbes—the real battle will be on us aooner than we anticipate. Let no machine toolmaker doubt that any of us who do not move and move quickly to prepare themselves will not be with us for long."

Other highlights from MTIRA are:

A microprocessor manual data input system for screw cutting lathes which was developed by the Machine Tool Industry Research Association for a Yorkshire company

1—Work on a control system for a range of special purpose milling machines continued throughout last year. Most of the software and circuit design is complete and a prototype is under construction.

2—Although much of the work is confidential, one of the projects was to design and manufacture a machine tool spindle of 110 mm diameter with a back-to-back conical oil hydrostatic bearing at the front and a cylindrical oil hydrostatic journal bearing at the rear, driven through a three-ratio gearbox by a thyristor controlled DC motor.

The target specification was to achieve a bearing arrangement which could handle constant power over a speed range of 30 to 10,000 rev min −1. But it was found that it was not possible to design a bearing that could withstand the loads.

MTIRA after consideration has come up with a system which abandons the cartridge design in favour of a simpler and potentially more rigid design.

Full technical details of this and other MTIRA achievements are availabla in the Association's report. Mr J. O. Cookson, Hulley Road, Macclesfield, Cheshire (0625 25421) Dean, Smith and Grace is at 0535 605261.

Conveyorised radiant oven

A CONVEYORISED radiant oven for manufacturers of small components has been designed by Maywick (Hanningfield) of Chelmsford, Essex. The Rayette of modular construction can be produced to almost any length with opposite heat zones of stainless steel, and, dependent on the application, can incorporate one or two ceramic plaque radiant burners rated at 12,500 Btu/hr. More from Jim Sargant at 0245 400637.

Safety valve

A SAFETY valve for use in the hydrocarbon processing industries has been introduced by IMI Bailey Birkett in West Yorkshire.

The valve, known as the "safeset," is a differential piston, pilot operated valve which can operate in a temperature range between −270 deg C to +540 deg C. More information of 021-455 9981.

How to be safe in the robot age

THE ABERRANT behaviour of an industrial robot resulting from a control system fault is one of the new industrial injuries hazards facing the fewer people on the factory shopfloor.

This is just one conclusion of a Machine Tool Trades Association survey on the basic principles of "Safeguarding Against Industrial Robots."

Early stages

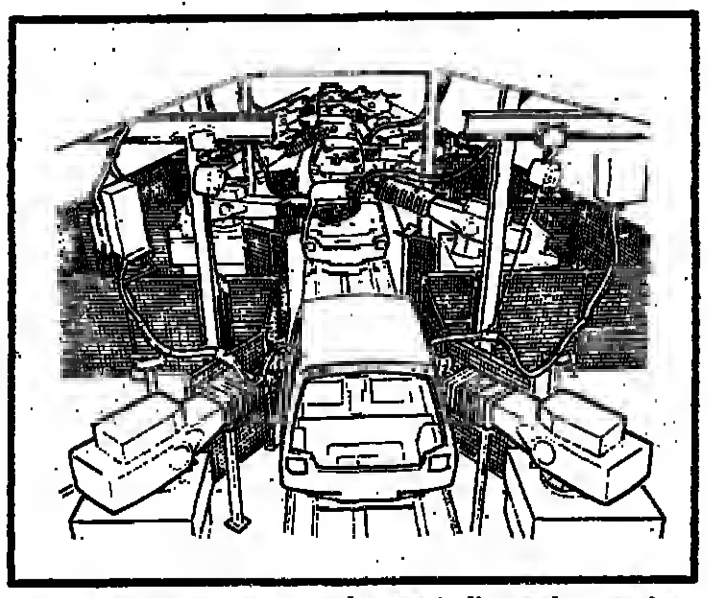
The report stemming from consultation between robot manufacturers and tha Machine Tool Industry Research Association, lists other possible hazards to the shopfloor buman—the jamming of a servo-valve; the robot which cuts its umbilical cord; the split of a union on an exposed hydraulic pipe, and (probably very important) a robot arm which, because of a fault in data transmission moves through a larger than expected radius.

The report, while pointing oot that the British Standard 5304 "Code of Practice" on the safeguarding of machinery gives general guidance, emphasises that the development of industrial robots is still in its early stages, and the guidance in the booklet might have to be revised in the light of future technical advances.

The survey draws on the conclusions reached by a Japanese report in 1977. It showed that about 10 per cent of robotic accidents occurred during normal operation bnt the greatest risk occurred during programming, teaching and maintenance. This was confirmed by a similar Swedish survey in 1980.

Hazards listed in the MTTA report include Impact (someone struck by the robot or the part it was carrying); Trapping Points (either within the movement of the robot arm or as it approaches the work point); and electrical shocks, burns or radiation, buman errors, failures of electrics, hydraulics and pneumatics and environmental hazards.

The Machine Tool Trades Association: "Safeguarding Industrial Robots" is available from MTTA, 62 Bayswater Road, London (01-402 6671). It costs £7.00 incl postage.

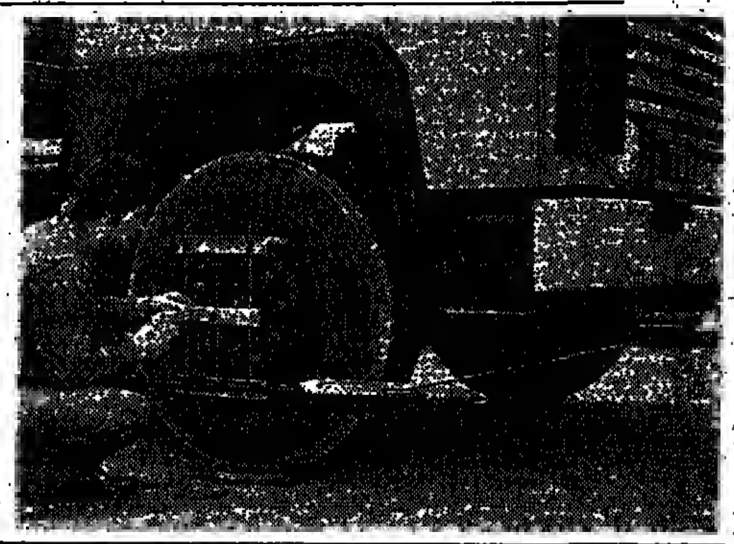


Perimeter guarding is one of tha aspects discussed concerning industrial robots in the latest in the series of Codes of Practice from the Machine Tool Trades Association.

Alignment system for wheels

A MECHANICAL wheel alignment system for commercial vebicles has been developed by TI Cbnrchill of Daventry.

Called the 1950 system, the company saya it is capable of being used on any surface and unlike most systems on the market requires no mirrors, electronics or power. The device can be used on wheels up to 22.5 inches in diameter.



All that glisters is not money

BY MAURICE SAMUELSON

SCHOOLCHILDREN collecting aluminium foil for charity are finding that all that glisters is not necessarily what they are looking for.

Silvery wrappers from snacks, candies or the inside of cigarette packets may look like the familiar aluminium foil but sre in fact a clever imitation hard to distinguish at a glance.

Although the aluminium foil industry puts a brave face on it, it grudgingly recognises the growing competition from metallising—a born-again process pioneered by Thomas Edison, inventor of the electric light bulb.

Metallising is a process in which a coating, usually of aluminium, is deposited on to a film or paper by vapourising the metal in a high vacuum and allowing it to condense on to film or paper. Edison observed the phenomenon in the course of his search for a luminoua electric element and promptly patented it.

In the past five years, it has established itself as a force to be reckoned with io the packaging industries of Western Enrope, Australia and South Africa.

Initially introduced for its decorative properties, metallising is now being used in some applications where barrier properties are also needed. It has been less successful in competing against the U.S. alumininm industry, wbere lower energy costs have kept foil prices down.

Metallised film is catching on fastest in France, wbere it has been used on a wide range of flexible packages for coffee, sweets, snacks, chewing gum, milk powder and yoghurt lids.

In Britain, a sizeable part of tbe UK tobacco industry has been putting metallised paper wrappera inside cigarette packets instead of an aluminium foil-paper laminate. One estimate, regarded as an exaggeration by aluminium foil producers, is that 35 per cent of UK cigarette packs bave "gone metallised."

This trend is also likely to be followed in West Germany, where a South African tobacco company is reported to be installing its own matallising facility in a West Berlin cigarette factory.

In Australia, South Africa and Britain, metallised film haa taken a large chunk of the market for bag-in-the-box wine packages, which bave captured a significant section of the take-home wine trade in those countries.

In Europe, there are no fewer than 17 specialised metallising companies, with three each in the UK, West Germany and France, two each in Spain and Denmark, and individual companies in Belgium, Italy, Finland and the Netherlands.

The three UK companies are believed to have built np a combined annual turnover of about £20m in the past five years. This compares with the £100m a year revenue of the UK's big three aluminium foil rollers, Alcan Foils, Bacofoil and Star Aluminium.

The three UK metallisers are Camvac, the Cambridgeshire-based subsidiary of Bowater Metallised Films and Papers (recently acquired by the U.S. Denizen Corporation), and Forth Textiles of South Wales.

Mr Tony Broomfield, Camvac's managing director and an articulate campaigner for his industry, claims that although metallising has partly created its own markets, "it could eventually be a replacement for aluminium foil."

Much of the impetus for metallising comes from Imperial Chemical Industries, which supplies the bare polyester and polypropylene films.

"In the long term," said Mr Alasdair Gibbs at ICI's plastics and petrochemicals division, "metallising will take more and more of the packaging market, competing with aluminium foil both on technical and commercial grounds."

The aluminium foil industry'a view was put by Mr Graema Campbell, managing director of Alcan Foils UK.

Metallising, be said, had "dazzled many people with all the entbusiasm of vigorous adolescence." But in his view it was "nonsense" to see metallising as a substitute for foil. At the most, be said, it was a valuable addition to the range of packsging options.

THE MANAGEMENT PAGE

EDITED BY CHRISTOPHER LORENZ

PRODUCT DESIGN

Why styling is only half the battle

Christopher Lorenz launches a column on corporate attempts to combine visual and functional design into a potent commercial weapon

SHEILA PICKLES and Alan Topalian were locked in mortal combat. "Surely," the persistent Topalian demanded of Pickles, "you must have a *system* for managing your design?"

"No," came the firm reply from the driving force behind Penhaligon's, one of the brightest British design-cum-marketing successes of the last five years. "Just intuition. I *know* whether the product is right or not."

An oversimplification, perhaps, but this confrontation, at a get-together in London of some of the world's leading industrial designers, epitomises how hard it can be to inject high-quality design into the products of today's colossal, complex corporations. And it pinpoints the all-pervasive confusion about what the term "design" actually means.

Topalian, an English consultant, is one of the few people to have studied extensively how design, in all its various forms and functions, can be integrated into the management process: terms like "design briefings," "project teams" and "corporate audits" are part of his everyday vocabulary.

Pickles represents the other extreme: a natural entrepreneur who took over a virtually defunct barber's business seven years ago and has turned it into a thriving, up-market perfumery enterprise of international renown. In the catholic company of a brick manufacturer and a maker of cigarette production machinery, she last autumn won a coveted Royal Society of Arts award for design management.

One of the reasons for Pickles' success is that she has imbued her staff of 15 with a thorough commitment to high quality design—of the product's innards as well as its appearance (which is what most people mean by "industrial design"). Yet her tiny company's penetration of a small, upmarket niche was less easy than it might seem.

But her achievement obviously palls in significance beside the Herculean task facing people like Robert Blaich. Another top delegate at the designers' conference—the first held outside the U.S. by the Boston-based Design Management Institute*—Blaich recently took over as head of industrial design for Philips, the mammoth electronics multinational, where his speciality has always been seen as a poor relation of marketing, itself often lost in the shadow of the company's almost cultural commitment to engineering and electronics technology.

Top management at Philips has gradually come to recognise that its excessive bias towards technology-driven strategies tends to leave it struggling on the losing side of the continuous battle with the Japanese; it is companies like Sony and JVC Matsushita which, in their different ways, have succeeded par excellence in balancing technological "push," market "pull" and industrial design.

Pretty boxes

The exemplary strengths of the Japanese should help Blaich in one of his first tasks, demonstrating down the line within Philips that industrial design extends far beyond its conventional meaning of just "putting pretty boxes round things" right into the heart of the product. He must also show that, as a result, it can be a key factor in the commercial success of all sorts of products, both consumer and industrial.

Blaich came to Philips from Herman Miller, a medium-sized U.S. furniture anl office systems company with a strong commitment to design as the cornerstone of its presence in the market. Together with only a handful of corporate giants such as IBM and—until now—John Deere, the agricultural machinery maker, it bas succeeded in making money out of products which combine an attractive appearance with the use of reliable, often advanced engineering.

The designers at the conference were uncertain whether the same could be said of three famous companies which are normally seen as model users of design: Bang and Olufsen, Braun and Olivetti. Their doubts rested partly on whether the functionality of these companies' products always matched up to the promise of their styling; partly on whether they would fare as well in mass markets as in their existing, relatively narrow niches (especially B and O and Braun); and partly, in Olivetti's case, on the company's profits record until the past few years, which has not exactly been an advertisement for the claim that design pays dividends.

Dr Paolo Viti, Olivetti's director of design, admitted that other factors largely explained Olivetti's recent burst back into profitability—better electronic technology, for example. But his colleague David Maroni emphasised that one of the main reasons Olivetti had gained market leadership in financial terminals for banks and building societies was the attention it had paid to industrial design.

The designer's dilemma—caught between trying to exercise intuitive flair and having to influence the corporate culture by becoming an "organisation man"—was outlined most painfully by Jay Doblin. Doblin is one of the world's most experienced design consultants and a former colleague of the famous Raymond Loewy, who was one of the first industrial designers to set up a studio in New York after the First World War, and became one of the most influential.

Penhaligon's, Herman Miller, IBM, B and O, Braun and Olivetti were all exceptional examples of design being "pulled" through the organisation by top level commitment, said Doblin. But in many more companies it tended to be pushed up from below—a far harder task. "Most of these programmes fail—they're smoking fiascos after 3 or 4 years," because of lack of corporate commitment and other problems, be declared.

The halcyon days of star individual designers who were strong on intuition had gone by the 1970s, said Doblin. Except with cosmetics, toys and a few other products, designers were having to work as part of a carefully controlled corporate "system" which is laden with unproductive committee meetings and volumes of beavy manuals describing standard practices and procedures.

Yet the designer should still be the "corporate visionary" pleaded Doblin. "The intuitive process is the designer's key weapon."

The difficulty companies have harnessing the individual creativity of designers, without frustrating it, was amply demonstrated by the experience of a group of professional designers at the conference. One after another, they described their difficulties in relating to the other corporate functions.

Rather than being used as a bridge between sales, marketing, production and engineering (or development), on at least an equal footing with each of them, they were usually subordinate, reporting direct to one of them, most frequently marketing. And since many of their companies seemed to see marketing as little more than selling—working within a short-term horizon of what the customer would be almost certain to buy next week—the designers naturally felt they had inadequate influence on the nature and shape of future products.

One might put all this dissatisfaction down to the overinflated ego of the typically self-important designer. But that would be to disregard the commercial success of Herman Miller, IBM and (for many years) Deere, where designers have played a key synthesising role between other functions.

* *Design Management Institute. Director: Peter Lawrence, at present based in Britain, at 7, Stanhope Gardens, London, S.W.7.*

The Product Design column will normally be published in the first week of each month.

Hugh Routledge

After a decade on the administrative side of films, opera, theatre and television, Sheila Pickles took over Penhaligon's in 1975, when its sales had slumped to £6,000 a year. "My instinct was to save it; not just from total extinction, but also from being ruined by hasty modernisation." She moved to an old shop in London's revitalised Covent Garden district, and there recreated the atmosphere of a Victorian perfumery, with the perfumes blended within sight—and smell—of the customer. She has relied on reviving old product formulas based on the scents of English country gardens; the range takes in after-shaves, talcs, bath oils, soaps and other items as well as perfumes themselves.

With help from a consultancy, Michael Peters and Partners, Penhaligon's packaging, labelling, uniforms, carrier bags, direct mail shots and other promotional literature have all been carefully tailored to the company's restrained yet florid image. With its eye-catching burgundy house-colour, it has become one of the main attractions of Covent Garden, as well as a focus of attention in exclusive American stores such as Bergdorf Goodman in New York and Neiman-Marcus in Beverly Hills. A franchise operation in Toronto may be followed by others outside the UK.

"I knew we were successful when replicas of our products started to appear," says Pickles. She actually needed to look no further than her soaring sales and (undisclosed) profit figures—this year's turnover should top £500,000. She wants to keep Penhaligon's small and exclusive but there is always the danger that the growth in competition could tempt her into the classic trap of over-diversification. Pickles admits she enjoys launching new products, but says she knows that "you can overdo it." After all, she muses, the mighty house of Guerlin has made only seven perfumes this century.

ADVERTISING

Hotel guests—a sleeping target

When are visiting businessmen most susceptible to advertising? When they are stuck in their hotel rooms passing the time watching television. With this idea in mind Hotel Television Network is offering hotels completely free, an extra television channel with a programme which starts with information about the hotel, continues with a magazine "This is London," which *directs visitors to sites and* shops, and concludes with a feature film. The programme repeats itself six times a day.

But HTN is not just providing a service. It is selling the commercial breaks in the feature film, or rather Radio Luxembourg is handling the sales side for it, and also the "plugs" in the magazine. A 30-second spot can cost between £4,800 and £9,600 depending on the number of hotel rooms. A 30-second reference in "This is London" goes for between £1,000 and £2,000.

There are 7,000 hotel rooms in London already taking HTN and the company, a subsidiary of Amalgamated Estates, a property developer, will become viable when it has signed up 10,000 rooms. Its full potential is 45,000 London hotel rooms of two stars and upwards, but even with 10,000 rooms it reckons to reach 1.25m visitors per year, spending an average of three nights.

The operation is being sold with some taste: "This is London" is as much a genuine guide to the capital's sights as a pointed commercial for advertisers, and the feature films include current hits. And all told the advertising will be limited to fifteen minutes in three hours. Airlines, drink and tobacco companies, restaurants and tourist attractions would seem to offer the most revenue potential, but the main beneficiaries must be the hotels.

An experiment carried out at the Penta Hotel included a reference in the programme to minibars in the rooms, and sales through these rocketed. Other hotels to have signed include the Cadogan, Londonderry, Lowndes, Imperial, Bedford and Royal Scot.

Antony Thorncroft

In brief . . .

● The Ford Cortina is actually stuck to the poster in London's Cromwell Road. It went up on Tuesday and should stay in place for four weeks if Araldite is the glue that manufacturers Ciba Geigy believe it is. The car weighs around a ton but only 10 retail packs of Araldite were needed to hold it on. After its London display the car will appear in Birmingham, Manchester and Glasgow during the summer.

● Two good years for advertising are forecast by the Advertising Association in its latest quarterly predictions. Advertising expenditure this year is estimated to rise by 14 per cent to £2,600m and next year, aided by Channel Four and breakfast TV advertising could grow by 15 per cent to top £3,000m.

Television is likely to absorb most of the extra spending, rising by 18 per cent this year as against 13 per cent for the press.

BOND DRAWINGS

FINANCIAL TIMES

PUBLISHED IN LONDON & FRANKFURT

Head Office: The Financial Times Limited, Bracken House, 10 Cannon Street, London EC4P 4BY. Telex: 8954871. Telex: (Advertising) 885033. Telegrams: Finantimo, London. Telephone: 01-248 8000. Frankfurt Office: The Financial Times (Europe) Ltd., Guiollettstr. 54, D-6000 Frankfurt-am-Main 1, West Germany. Telex: 416193. Telephone: 7598-0. Editorial: Frankenallee 71-81. Telex: 416052. Telephone: 7598 157.

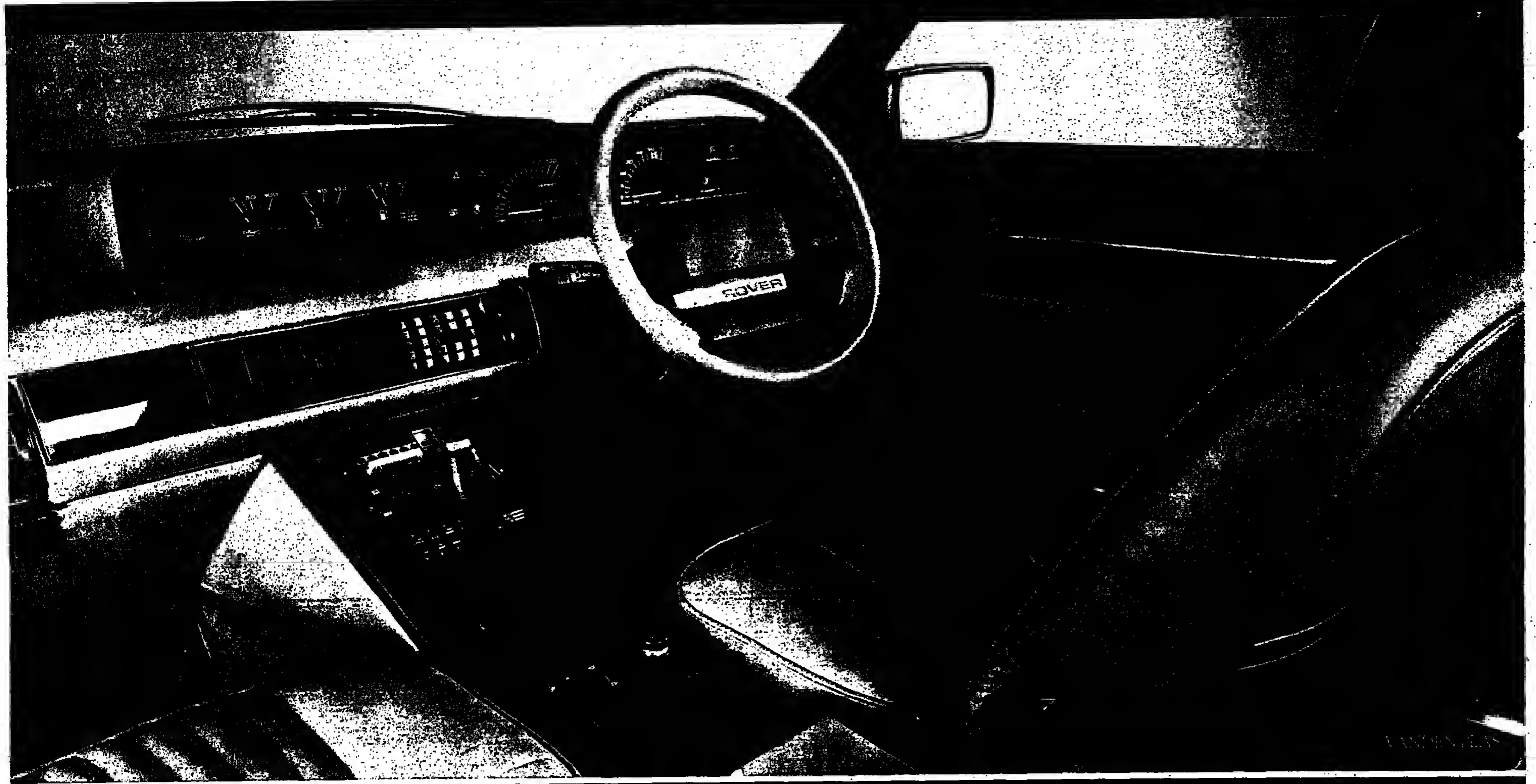
INTERNATIONAL & BRITISH EDITORIAL & ADVERTISEMENT OFFICES

[illegible]

For Share Index and Business News Summary, Telephone 246 8026 (number, preceded by the appropriate area code valid for London, Birmingham, Liverpool and Manchester).

All advertising is subject to the publisher's current terms and conditions, copies of which are available on request.

EXPERIENCE THE PRESTIGE OF LEATHER, THE LUXURY OF WALNUT AND THE SENSATION OF POWER.



The Rover name stands for innovative design, performance, prestige, technological development and achievement. Qualities that have long made Rover a very special driving experience.

Never more so than now.

The new Rovers come to you with advances in styling, in handling, in running economy, in comfort and in finish. All Rovers are now painted by the world's most advanced and proven paint technology.

The sleek aerodynamics of the Rover body have been further advanced with flush-fitting restyled headlights, a new grille, wrap-round bumpers and a handsome front spoiler† for improved road-holding at high speeds.

At the rear of the car we've deepened the tail-gate window for improved visibility, guaranteed even in poor weather by a new, programmed rear wash-wipe system. The re-designed Rover interior provides a totally new driving environment.

The re-styled low-profile instrument binnacle and centre console combine to give you fingertip controls and quick-to-read instrumentation.

And, as you sit back in supreme comfort, you'll appreciate that a traditional Rover luxury – walnut panelling – has made a welcome return.*

You'll also welcome the fact that we've revised the rear self-levelling suspension* and upgraded the braking system to bring you a more positive and responsive driving experience.

Apart from the legendary performance of the Rover's light alloy 3528cc, V8 155 b.h.p. engine its renowned qualities of smoothness and refinement have reached new peaks.

We've also extended service intervals to 12 months or 12,000 miles (whichever comes first).

We've not only developed the cars, we've added to the range with a 104 m.p.h. twin carburettor five speed 2000 model.

Six new Rovers. From the ultimate luxury of Vanden Plas to the sprightly economy of two litres.

Ask your dealer for a test drive. And enjoy the advanced driving experience.

ROVER ADVANCING THE DRIVING EXPERIENCE

OFFICIAL D.O.T. FIGURES. ROVER 2000 MANUAL, SIMULATED URBAN CYCLE 23.9 MPG (11.8 L/100 KM). CONSTANT 56 MPH, 42.6 MPG (6.6 L/100 KM). CONSTANT 75 MPH 32.7 MPG (8.6 L/100 KM). ROVER 2000 AUTO. SIMULATED URBAN CYCLE 24.7 MPG (11.4 L/100 KM). CONSTANT 56 MPH, 36.2 MPG (7.8 L/100 KM). CONSTANT 75 MPH, 27.6 MPG (10.2 L/100 KM). ROVER 2000 MANUAL £7451. BASED ON MANUFACTURER'S RECOMMENDED RETAIL PRICE, INCLUDES SEAT BELTS, CAR TAX AND VAT. (NUMBER PLATES, ROAD TAX, DELIVERY, AUTOMATIC TRANSMISSION AND METALLIC PAINT EXTRA). FOR FLEET SALES INFORMATION RING 021-779 4484. †EXCEPT 2000, 2300. *STANDARD ON 2600S, 3500SE, VANDEN PLAS.

TELEVISION

BBC 1

6.40-7.55 am Open University (Ultra High Frequeocy only). 1.00 pm News After Noon. 1.30 Chock-a-Block. 2.00-2.12 You and Me. 3.53 Regional News for England (except Loodon). 3.55 4.40 The Littlest Hobo. 5.05T—Play School. 4.20 Drak Pack. 4.40 The Littlest Hobo. 5.05 John Craven's Newsround. 5.10 Blue Peter.

5.40 News.

6.00 Regional News Magazines.

6.25 Nationwide.

6.50 Tomorrow's World.

7.15 Top of the Pops.

7.45 It Ain't Half Hot Mum starring Windsor Davies and Melvyn Hayes.

8.15 Mastermind International from New Zealand.

9.00 News.

9.25 Oppenheimer starring Sam Waterston: Oppenheimer is engaged in the race against Germany to produce an atomic bomb.

10.25 Question Time with Ludovic Kennedy.

11.28 News Headlines.

11.30 Fame: The last of four programmes with John Pitman.

Chris Dunkley: Tonight's Choice

When the recent Beaconsfield by-election result was finally announced in the early hours of the morning and it promptly became clear that the Labour candidate had not only trailed in third, behind the Alliance, but had even lost his deposit, Peter Shore in the Newsnight studio made no bones about it. "It isn't good enough," he said. The only times when politicians on television are as honest as that about the performance about their own parties is on by-election programmes which run late, exhausting everything else to be said. This makes them far more interesting than the result alone ever could, and it is why I shall be watching Newsnight on BBC-2 again tonight when David Dimbleby presents the programme on the Mitcham and Morden by-election.

Earlier Travellers In Time (also BBC-2) shows a 1922 film shot by three Americans, the first foreigners ever to make the trek to the summer pastures with the Bakhtiari tribesmen of Persia. In Mastermind International on BBC-1, coming from New Zealand, the UK is represented by Leslie Grant, presumably because he won this year's home contest. But since he then lost to Sir David Hunt in the champion-of-champions anniversary programme his presence seems a little odd.

BBC 2

6.40-7.55 am Open University.

11.00-11.25 Play School.

5.10 pm Adolf Loos.

†5.35 Charlie Chaplin in "Shanghaied."

6.05 The Great Egg Race.

6.35 The Oystermen of the Fal.

7.05 Wildlife Talkabout.

7.35 News Summary.

7.40 Travellers in Time.

8.10 Human Brain.

9.00 Call My Bluff.

9.30 Brass Tacks Reports.

10.10 The Old Grey Whistle Test.

10.45-1.00 am Newsnight including By-Election Special.

LONDON

9.30 am World Famous Fairy Tales. 9.45 The World We Live In. 10.10 It's a Brand New World. 11.00 The Master Builders. 11.25 Paint Along With Nancy. 11.55 The Bubbles. 12.00 Gammon and Spinach. 12.10 pm Get Up and Go! 12.30 The Sullivans. 1.00 News with Peter Sissons, plus FT Index. 1.20 Thames News with Robin Houston. 1.30 Crown Court. 2.00 After Noon Plus introduced by Judith Chalmers. 2.25 Racing from Epsom—the 2.35, 3.10 and 3.40. 3.50 Survival. 4.20 Cartoon Time. 4.45 International Football Special: England v Finland at Helsinki.

6.50 News.

7.05 Thames News.

7.30 Never the Twain starring Donald Sinden and Windsor Davies.

8.00 Falcon Crest starring Jane Wyman.

9.00 Shelley

9.30 TV Eye.

10.00 News.

10.45 Hill Street Blues.

11.45 Ladies' Man.

12.15 am What the Papers Say.

12.30 Close: Sit Up and Listen with Robin Knox-Johnston.

† Indicates programme in black and white

All IBA Regions as London except at the following times:—

ANGLIA

5.30 am Sesame Street. 10.30 Gored Your Wings. 10.55 Stingray. 11.25 The Flying Kiwi. 11.50 Wattoo. Wattoo. 1.20 pm Anglia News. 2.00 Not For Women Only. 3.50 Never the Twain. 4.20 Fenglace. 7.05 About Anglia. 7.30 Survival. 10.45 Snooker '82. 11.45 Lou Grant. 12.40 am The Nuclear Challenge.

CENTRAL

8.30 am Somewhere in Hackney. 10.20 Patterns. 10.45 The Making of a Crew. 11.15 James Galway. 11.35 Fanglace. 12.30 pm The Young Doctors. 1.20 Central News. 3.50 Never the Twain. 4.20 Sport Billy. 7.05 Central News. 7.30 Emmerdale Farm. 10.45 Venture. 11.15 Central News. 11.20 Starring Richard Burton: "Hammerstein Is Out."

GRAMPIAN

8.40 am First Thing. 8.45 Target the Impossible. 10.10 Gift of Earth—Fiji. 10.35 Poetry of Landscape. 10.50 It's a Musical World. 11.35 Our Incredible World. 1.20 pm North News. 3.50 Never the Twain. 4.20 Kum Kum Cartoon. 4.40 Little House on the Prairie. 5.35 Happy Days. 6.00 North Tonight. 6.35 Police News. 6.40 Cartoon Time. 7.05 Private Benjamin. 7.35 Survival. 10.45 Cover to Cover. 11.15 Best of Bizarre. 11.45 Seachd Laithean. 12.16 am North Headlines.

GRANADA

9.30 am The Land. 9.50 Stingray. 10.10 I Am Fijian. 10.35 Barley's Bird. 11.00 Sesame Street. 1.20 pm Granada Reports. 1.30 Exchange Flags. 1.55 Crown Court. 3.50 Never the Twain. 4.20 Spiderman. 7.05 Granada Reports. 7.30 Emmerdale Farm. 10.45 Vegas. 11.45 What the Papers Say. 12.00 Late Night From Two.

HTV

8.40 am Kum Kum. 10.00 Bugs Bunny. 10.10 Our Incredible World. 10.35 Stingray. 11.00 Sesame Street. 1.20 pm HTV News. 3.50 Never the Twain. 4.20 Here's Boomer. 7.05 HTV News. 7.30 Emmerdale Farm. 8.00 Falcon Crest. 10.43 HTV News. 10.45 The Royal Bath and West Special. 11.15 Lou Grant.

HTV Cymru/Wales—As HTV West except: 12.00-12.10 pm Mistar Clai. 3.45 Never the Twain. 4.15-4.45 Murphy's Mob. 7.05 Emmerdale Farm. 7.35 Y Dydd. 7.45-8.00 Report Wales. 10.45-11.15 Eisteddfod Genhedlaethol Yr Urdd Llyn Ac Eifionydd.

SCOTTISH

9.30 am Arabian Contrasts. 9.45 Land of Birds. 10.10 All the King's Horses. 10.35 Greece—the Hidden Treasures. 11.00 Nova. 11.55 Wattoo, Wattoo. 1.20 pm Scottish News. 3.50 Never the Twain. 4.20 Jangles. 4.45 Beyond Westworld. 5.40 Scotland Today. 6.10 Action Line. 6.20 Report. 7.05 Benson. 7.35 Emmerdale Farm. 10.45 Encore. 11.20 Maybe Tomorrow. 11.50 Late Call. 12.05 am Seachd Laithean.

TSW

5.30 am European Folk Tales. 9.45 Bailey's Bird. 10.10 "Kidnapped." 11.55 The Undersea Adventures of Captain Nemo. 12.27 pm Gus Honeybun's Magic Birthdays. 1.20 TSW News Headlines. 3.50 Never the Twain. 4.20 Rocket Robin Hood. 7.05 Today South-West. 7.30 Benson. 10.47 TSW Late News. 10.50 Mannix. 11.45 In Concert. 1.00 am Postscript.

TVS

5.30 am European Folk Tales. 9.45 Patterns. 10.10 "Kidnapped," starring Michael Caine and Trevor Howard. 11.55 The Undersea Adventures of Captain Nemo. 1.20 pm TVS News. 2.00 Not For Women Only. 3.50 Never the Twain. 4.20 The Little Brown Burro. 7.05 Coast to Coast. 7.30 Emmerdale Farm. 10.45 Canterbury and Beyond: The Archbishop of Canterbury talks about his feelings following the Pope's visit to Canterbury. 11.15 Quincy. 12.15 am Company.

TYNE TEES

9.20 am The Good Word. 9.25 North-East News. 9.30 The Ballad of the Irish Horse. 10.15 Morning Movie: "Flight To Holocaust." 11.50 Larry the Lamb. 1.20 pm North-East News and Lookaround. 3.50 Never the Twain. 4.20 The Lone Ranger. 7.05 Northern Life. 7.30 Emmerdale Farm. 10.45 North-East News. 10.47 Job Slot Extra. 10.52 Best of Three. 11.20 Check It Out. 11.50 Bizarre. 12.20 am Your Obedient Servant . . . Pope John Paul.

YORKSHIRE

9.30 am Larry the Lamb. 9.40 Beyond Westworld. 10.40 "Laxdale Hall," starring Ronald Squire and Kathleen Ryan. 11.55 The Undersea Adventures of Captain Nemo. 1.20 pm Calendar News. 3.50 Never the Twain. 4.20 Sport Billy. 7.05 Calendar (Emley Moor and Belmont editions). 7.30 Emmerdale Farm. 11.45 Crown Green Bowling.

(S) Stereo broadcast (when broadcast on VHF)

RADIO

RADIO 1

5.00 am As Radio 2. 7.00 Mike Read. 9.00 Simon Bates. 11.20 Dave Lee Travis. 2.00 pm Paul Burnett. 4.30 Peter Powell. 7.00 Walters' Weekly. 8.00 David Jensen. 10.00-12.00 John Peel (S).

VHF Radios 1 and 2—5.00 am With Radio 2. 6.00 pm David Hamilton (S). 6.45 News, sport. 6.00 John Dunn (S). 7.00 With Radio 2. 10.00 With Radio 1. 12.00-5.00 am With Radio 2.

RADIO 2

5.00 am Steve Jones (S). 7.30 Terry Wogan (S). 10.00 Jimmy Young (S). 12.00 Gloria Hunniford (S). 2.00 Ed Stewart (S) including Racing from Epsom. 4.00 David Hamilton (S). 6.00 International Soccer Special: Finland v England. 7.00 John Dunn (S). 8.00 Country Club with Wally Whyton (S). 9.00 Alan Dell with Big Band Sound (S). 9.55 Sports Desk. 10.00 The Impressionists. 10.30 Star Sound Extra with Nick Jackson. 11.00 Brian Matthew with Round Midnight (stereo from midnight). 2.00-5.00 am You and the Night and the Music (S).

RADIO 3

6.55 am Weather. 7.00 News. 7.05 Morning Concert (S). 8.00 News. 8.05 Morning Concert (S). 9.00 News. 9.05 This Week's Composer: Tchaikovsky (S). 10.00 Violin and Piano recital (S). 10.35 English Songs (S). 11.10 Royal Liverpool Philharmonic Orchestra (S). 1.00 pm News. 1.05 The Manchester Summer Recital (S). 2.00 Schubert piano recital (S). 2.40 "Athalia," oratorio in three acts by Handel (S). 4.55 News. 5.00 Mainly For Pleasure (S). 6.20 Bandstand (S). 7.00 Some Versions of the Pastoral. 7.20 Elgar (S). 9.00 "Gulliver's Travels," by Jonathan Swift (S). 9.25 Music in Our Time (S). 10.25 Words. 10.30 Alfred Brendel plays Beethoven (S). 11.15-11.18 News.

RADIO 4

6.00 am News Briefing. 6.10 Farming Today. 6.25 Shipping Forecast. 6.30 Today. 8.43 Reading. 8.57 Weather, travel. 9.00 News. 9.05 Checkpoint. 9.30 The Living World. 10.00 News. 10.02 As It Happens. 10.30 Daily Service. 10.45 Morning Story. 11.00 News. 11.03 The Fibre Story. 11.48 Enquire Within. 12.00 News. 12.02 pm You and Yours. 12.27 Brain of Britain 1982 (S). 12.55 Weather, travel, programme news. 1.00 The World at One. 1.40 The Archers. 1.55 Shipping Forecast. 2.00 News. 2.02 Woman's Hour. 3.00 News. 3.02 Afternoon Theatre (S). 4.00 News. 4.02 Speak Out! 4.10 Bookshelf. 4.40 Story Time. 5.00 PM: News magazine. 5.50 Shipping Forecast. 5.55 Weather, programme news. 6.00 News, including Financial Report. 6.30 Any Answers? 6.54 It's a Bargain. 7.00 News. 7.05 The Archers. 7.20 Concert Prelude (S). 7.30 Northern Sinfonia of England concert, part 1 (S). 8.25 Kaleidoscope. 8.45 Concert, part 2 (S). 9.30 Kaleidoscope. 10.00 The World Tonight. 11.00 A Book at Bedtime. 11.15 The Financial World Tonight. 11.30 By-election Special: The Mitcham and Morden by-election. 12.15 am Shipping Forecast. 12.23-1.30 By-election Special (continued).

BUSINESS LAW

Privilege for EEC lawyers

BY A. H. HERMANN, Legal Correspondent

MAY 18 deserves to be marked with red letters in the diaries of EEC competition lawyers in private practice. A judgment,* handed down by the European Court on that day, will go a long way to create for them a useful monopoly and to eliminate the competition of in-house lawyers and of American and any other non-EEC lawyers active in this lucrative branch of law.

The unexpected bonanza came in the form of a restrictive pronouncement by the court on what is referred to as "legal privilege," namely the confidential status accorded in most countries to communications between a lawyer and his client.

The judgment substantially allowed an appeal brought by Australian Mining & Smelting (Europe) (AM & S), a subsidiary of the Rio-Tinto Zinc Corporation, against the Commission's decision No. 79/760/EEC of July 6, 1979. The Commission's inspectors visited the offices of AM & S with an authorisation to investigate an alleged price and market-sharing cartel between a number of zinc-producing and trading companies. The inspectors took away some 35 documents, but were refused others, for which legal privilege was claimed. AM & S suggested that the Commission should get in touch with the company's solicitors should it need further confirmation that the documents were privileged.

The Commission did not accept the invitation. Instead, it made a formal decision under Article 14/3 of Regulation 17/62 requiring AM & S to submit to a fresh investigation at its premises at Bristol and Avonmouth, and to produce certain business reports, including all the documents for which the company claimed legal privilege. When that took place, the inspectors were invited to look at parts of the documents to satisfy themselves that these were indeed privileged. Solicitors for AM & S went to Brussels, but the Commission's officials refused any compromise. They insisted that their inspectors must have the right to read the whole of the documents. AM & S was left with no other possibility but to appeal to the European Court.

All law is of interest to lawyers, but none quite so much as that which affects the performance of their profession.

A judgment which might well reduce the employment of in-house and non-EEC lawyers in competition matters

The AM & S case became a *cause celebre* even before it had properly begun. The Consultative Committee of the Bars and Law Societies of the European Community (CCBLS), the UK and France, asked to be allowed to intervene in the proceedings, and their applications were granted. The issues at stake were not world-shattering, but could well put many a lawyer out of business: who would want to consult a competition lawyer if the questions asked and answers given could be used by the enforcement authorities as evidence that he was up to something which might infringe competition rules?

The European Court was asked two questions: the first concerned substantive law—was "legal privilege" a part of Community law because it was, in one form or another, respected in all member states? The second concerned procedure—who should determine whether a particular document falls under this privilege?

AM & S, the UK and CCBLS argued that legal privilege was part of Community law because it was practised in member states and because it was essential for safeguarding the rights of defence. It was also part of human rights which the Community must respect. On a more utilitarian level, it was argued that it was in the interests of the Community that companies should receive guidance from their lawyers, enabling them to keep within its rules and regulations, and that the resulting advantage to Community law far outweighed any disadvantage which any individual investigations might suffer.

France vigorously opposed such ideas. Legal privilege was not a principle common to all laws of the member states. The Commission was authorised by Article 14 of Regulation 17/62 to "examine the books and other business records." Documents written for the purpose of obtaining or giving legal advice were well within this category.

The European Court held that the rules requiring and empowering the Commission to demand documents "necessary" did not exclude the possibility of recognising that certain business records were of a confidential nature. All member states protected the confidentiality of written communications between a lawyer and his client made for the purpose of the clients' defence, provided that the lawyers were not bound to the client by a relationship of employment, and that they were entitled to practise their profession in one of the member states, regardless of the member state in which the client lived.

Dealing with the procedural issue, the court rejected proposals that disputes between the Commission and the parties as to whether a document enjoyed legal privilege should be decided by arbitrators, independent persons, or national courts. It was up to the Commission to decide whether it required a certain document. The dissatisfied party could appeal to the European Court and ask for a temporary suspension of the Commission's decision. The court would decide whether this decision was valid or not, after inspecting the documents.

It did so in the present case and found that a part of the documents deserved to be privileged. It voided to that extent the decision. As a part of the documents was not so absolved, AM & S and the interveners would have to pay their costs. This does not seem right as the dispute was really about the principle and whether the Commission's inspectors must have the last word. The Commission lost on both these counts and should have been made to pay the costs.

* *Case 155/79, A. M. & S. Europe v. EEC Commission May 18 1982, unreported.*

RACING

BY DOMINIC WIGAN

GOLDEN FLEECE retained his unbeaten record in yesterday's 203rd running of the Derby. He won in the style of a champion and a colt who is likely to wind up in Kentucky with a £20m valuation on his head.

An ultra confident Pat Eddery, who rode Grundy to success a few years ago, took Golden Fleece into a challenging position some two-and-a-half furlongs from home after being near the back of the field early on. However, from that point, the outcome was never in doubt as the Cashel colt swallowed up Norwick, Touching Wood and Peacetime in a matter of strides.

Golden Fleece, sent clear with minimum fuss, would have won by a far greater distance than the three lengths with which he was credited, had Eddery not eased him considerably. He also lost distance by hanging towards the rails.

The result will have pleased most people in thoroughbred racing and breeding circles, after all the trials and tribulations which the Robert Sangster-Vincent O'Brien camp have had with Golden Fleece.

The Sangster breeding combine had not been responsible for a Derby winner since the Minstrel got home.

Golden Fleece passed the post in a near record time of just over two minutes 34 seconds. There is no doubt he would have entered the record books if his rider had asked him to go all out to the line.

Touching Wood was Golden Fleece's closest pursuer at the line. He was chased home by Silver Hawk and Persepolis who were separated only by photo.

This afternoon it is the turn of the older horses with the Coronation Cup which two or three years ago went to the disappointing Peacetime's brother, Quiet Fling. On this occasion, Jeremy Tree, the trainer of those colts, is without a runner. However, Southern Stables are strongly represented through such high class performers as the Ian Balding trained Glint of Gold and Arundel's Castle Keep. Castle Keep needed only to be pushed out to beat Aperativo by two lengths at Goodwood, but I doubt if he is quite good enough to account of Shergar's closest pursuer on level terms.

EPSOM

2.00—Topori

2.35—Fairy Tern***

3.10—Glint of Gold**

3.40—Command Respect*

4.15—Warri

Accountancy Appointments

Group Finance Director

London/Northern Home Counties

c.£30,000

For a medium sized public company engaged in the distribution of components to a broad spectrum of customers. The group is financially sound with a successful history and objectives include further growth through acquisition and organic development.

The appointee will join the main board with complete responsibility for the financial and accounting functions, and will be expected to contribute to the commercial management and success of the business.

Candidates must be qualified accountants with proven success at senior management level in a distribution or manufacturing environment.

Remuneration is negotiable with the usual benefits, including relocation expenses if necessary.

Please write in confidence, quoting reference 2208/L, to N. Halsey, 165 Queen Victoria Street, Blackfriars, London, EC4V 3PD.

Peat, Marwick, Mitchell & Co.
Executive Selection Division

FINANCIAL ACCOUNTANT

Fisher Controls Ltd is part of a new generation of truly international companies, operating and organised on a worldwide basis.

To support the Finance Director in the progressive integration of our existing UK financial structure with that of the rest of our European, Middle East and African base, we require an experienced Financial Accountant who can bring to bear a crucial range of specialist abilities.

You will be spearheading the introduction of a live accounting facility, IAS/3000, throughout the UK, part of a financial net embracing our locations in France, Germany, Italy, Spain, Switzerland, Austria and the Netherlands.

Obviously you must be a fully qualified Financial Accountant, male or female, with at least 5 years industrial experience and an intimate knowledge of U.S. and EEC financial reporting requirements. Fluency in one of the main European Community languages is paramount and a working knowledge of others desirable.

For further information write enclosing full personal and career details to:

Roy Williams
Personnel Director
FISHER CONTROLS LTD.
Century Works
Conington Road, Lewisham, SE13

Career move from practice . . . High visibility operational audit role . . . Substantial international group . . . Definite prospects into line management . . .

GROUP AUDIT MANAGER

London — c. £16,000 p.a. plus car & benefits

This appointment, resulting from promotion of the present holder into senior line management, is with a notably successful and well-known British engineering, construction and manufacturing group turning over in excess of £600 million. Through its subsidiaries, the group offers respected design and build capability, and a broad spectrum of technologies to all significant areas of industry. The group has a very strong international presence.

Based at London head office, a broad and challenging role is envisaged. This will encompass full responsibility for the direction and control of the U.K. audit function as well as active involvement in high-level operational audits of subsidiary companies on an international basis. The Group Audit Manager will report to a Main Board Director, and, through exposure at senior management level, have the opportunity to influence the achievement of corporate goals.

Applications are invited from qualified accountants (m/f), aged in their very late 20's or 30's with a background of achievement and success in a major international practice. In addition, a relevant university degree (engineering, science or similar) coupled with well-developed interpersonal and communications skills are qualities our client seeks. Career development prospects are excellent.

Written applications containing relevant career details should be forwarded, in confidence, to Anthony J. Forsyth, B.Sc. at our London address, quoting reference number 3675.

410 Strand, London WC2R 0NS. Tel: 01-836 9501
26 West Nile Street, Glasgow G1 2PF. Tel: 041-226 3101
3 Coates Place, Edinburgh EH3 7AA. Tel: 031-225 7744

DOUGLAS LLAMBIAS
Douglas Llambias Associates Limited
Accountancy & Management Recruitment Consultants
DLA

Touche Ross & Co., Management Consultants seek Accountants and Business Graduates

London and Manchester — *up to £17,500+car*

We are an expanding consultancy practice whose clients, both in the U.K. and overseas, include businesses of all sizes, governments and other public sector organisations.
The work will include analysing clients' problems, advising them on strategic planning and organisational matters and helping them to improve their operating, management information and control systems.
In addition to U.K. work, our consultants have opportunities to participate in projects overseas, for which generous supplements are paid.
Applicants should be aged between 28 and 35, have a degree, an accountancy qualification or an MBA and at least five years' business experience.

Please send a comprehensive career résumé, including salary history and daytime telephone number, quoting ref. 2057, to G. J. Perkins.

Touche Ross & Co., Management Consultants
Hill House, 1 Little New Street, London EC4A 3TR. Tel: 01-353 8011.
A member of the Management Consultants Association

Reed Executive

The Country's most successful Recruitment Service

Financial Controller

Yorkshire — £17,000 + profits + car

The Group has gained an international reputation for quality and innovation in the capital equipment sector in less than a decade, as its enviable financial performance demonstrates. Responsible for the Finance function of the U.K. Division, the Controller reports to the Group Managing Director and must develop the function as continued growth demands. Heading a small accounts department, duties include the development of systems using computer facilities, preparation of financial information and liaison with operational management. The person appointed will be ambitious, self motivated, technically sound and demonstrate the commercial acumen to attain a Board appointment within a year.

Telephone: 0532 459181 (24 hour service) quoting Ref: 3217/FT, Reed Executive Selection Limited, 24/26 Lands Lane, Leeds LS1 6LB.

The above vacancy is open to both male and female candidates

London Birmingham Manchester Leeds

Financial Director (Designate)

Lincolnshire — *Salary Negotiable*

Our client is one of the largest poultry processors in the U.K. with an annual turnover in excess of £50m. The Group has achieved significant growth within the last few years and plans for this growth to cootinue through the 1980's.

The Financial Director (Designate) will report to the Chairman and be responsible for all financial and accouoting matters with special emphasis on financial planning, budgetary control and the development of computerised systems.

Candidates, male or female, should be qualified accountants with a high degree of self motivation and initiative plus the ability to make a significant contribution towards the continued success of the Group. The likely age range is 35 to 45.

A generous remuneration package is negotiable and includes a company car. The Group would cootribute towards removal expenses.

Please write, in confidence, giving concise career and personal details and quoting reference MCS/1960 to: C.A. Downes, Executive Selection Division, Victoria House, 76 Milton Street, Nottingham NG1 3QY.

Price Waterhouse Associates

ACCOUNTANCY APPOINTMENTS

APPEAR EVERY THURSDAY

DIRECTOR OF FINANCE

The Port of Dover is one of the most successful ports in the United Kingdom, the largest in terms of value of trade, and one of the most important in the world for passenger and vehicular traffic. It is administered by the Dover Harbour Board, a Public Trust, employing nearly 1,000 staff, with an annual operating revenue expected to exceed £20 million in 1982. The Board is currently undertaking a major programme of capital expenditure.

Applications are invited for the above position, arising from the resignation of the present Director, from graduates (any discipline) who are also professionally qualified accountants.

Candidates, under 50 years of age, must have had previous experience of financial control within a large and successful commercial, industrial or public body at or immediately below board level. Previous port or shipping experience, while useful, is not essential.

Reporting directly to the Board's General Manager and Register, and his deputy, the Director of Finance is responsible for the efficient operation of the following divisions — Accounts, Budgetary Control, Computer Services and Planning Services. The duties will include the operation of effective systems of control over all the Board's financial affairs, the provision of management information, the monitoring of budgets and cash-flow, and the management of the corporate planning and management services functions.

The salary for the position will be in the range £15,700 to £18,000 per annum (to be reviewed on 1st July, 1982) with additional benefits including company car, non-contributory pension and life assurance scheme, sick pay scheme and annual bonus.

Further details may be obtained from The General Manager and Register, to whom applications (enclosing full curriculum vitae) should also be addressed in order to arrive by 21st June, 1982.

Dover Harbour Board

EMA

FINANCIAL CONTROLLER

Kent Coast — £15,000 + car

Filling the key role in financial control and in the development of computerised systems and business procedures, the Controller will structure, train and manage a division of 30 staff. Responsible for both financial and management information and its analysis, he or she will have additional responsibility for treasury and for certain commercial functions. The Controller will work closely with the Financial Director on the financial and commercial aspects of business development including possible acquisitions in the UK and overseas.

An export orientated public engineering company with a turnover in excess of £20 million, our client is taking advantage of increasing demand for its products and is poised for major international expansion. Applicants, aged 28-35, should be qualified accountants with an industrial background. Experience in both line management and computer systems is essential. Please write to David Hogg FCA quoting reference I/2132 enclosing a career history, including salary progression and a daytime telephone number.

EMA Management Personnel Ltd.
Halton House, 20/23 Holborn, London EC1N 2JD
Telephone: 01-242 7773 (24 hour).

FINANCIAL DIRECTOR

SE England — c. £17,000 + Car

Our client is a substantial and expanding manufacturing company with a number of UK locations.

The requirement is for an exceptionally able and energetic Finance Director aged 30-45 to take responsibility for all administration, planning, financial provision and control and systems.

The ideal candidate will currently hold a senior position in a company operating strict financial controls within a strong manufacturing and marketing environment and will be commercially aware as well as having good communication and motivation skills.

Please reply in confidence with full career details to M J Hudson.

Hudson Shribman International
College Hill Chambers, 23 College Hill, EC4 — 01-248 7851

GROUP FINANCIAL CONTROLLER

East Midlands — neg from £15,000

• Our client has diverse interests in a variety of business and financial investments at home and overseas. Turnover is approximately £20M and there are over 500 employees. The Board now wishes to appoint a Group Financial Controller & Company Secretary, reporting to the Chairman, to coordinate the financial and accounting systems and to advise the Board on financial matters.

• The successful candidate will be an energetic, mature and forceful chartered accountant with a commercial background at senior management level, coupled with exposure to computerised accounting systems. He or she will be resolute and resilient, with excellent analytical and communication skills. Considerable travel will be necessary. Aga indicator: 35-45.

• Salary negotiable from £15K. Other benefits: car, pension scheme, life assurance. Relocation assistance available.

• Initial interviews will take place at Windsor and in the Midlands.

• **For further details and an application form please telephone Linda Shand, Recruitment Secretary, on Windsor (07535) 67175 (24 hrs) quoting ref DM/411.**

ICFC CONSULTANTS LIMITED
A subsidiary of Finance for Industry plc

ASSISTANT FINANCIAL ACCOUNTANT

Salary c. £10,000 depending upon experience

We require a qualified (ICMA/ACCA/ACA) or finalist with 2-3 years general accounting experience, ideally aged 22-25, who wishes to actively pursue a career in Accountancy. The ability to communicate well with people of all ages and levels and to obtain information from non-accounts staff is essential.

You will provide regular accounting services such as the preparation of Annual Company and Group Statutory Accounts and Board papers, and provide expert advice on such subjects as cash forecasting and taxation.

Generous benefits include 5 weeks holiday plus bonus, contributory pension and life assurance scheme, canteen facilities and sports and social club.

Please apply to:

Personnel Department,
BRADBURY, WILKINSON AND CO. LTD.,
265 Burlington Road, New Malden,
Surrey KT3 4NH
Tel: 01-947 3271

BW

FINANCIAL CONTROLLER

NATIONAL WATER COUNCIL

c. £15,000

The National Water Council was established by the Water Act 1973 as the central co-ordinating and policy making body of the Water Industry in England and Wales. Although the Council's primary role is non executive, it provides certain common services for the 10 Water Authorities.

An experienced, professional Accountant is required to integrate and develop a variety of accounting and financial operations at the Council's established office in Sheffield which is extending its activities.

The responsibilities of this new post will be wide ranging with particular emphasis on the provision of sound management accounting and financial advice services to spending units; some travel to other offices will be required. Experience of managing the introduction of computerised systems in the financial area is essential.

We offer good conditions of service in a demanding but congenial environment; full information about the post is available from:

J. C. Richards, IPFA, FPMI,
National Water Council,
St. Peter's House,
Hartshead, Sheffield S1 1EU.
Tel: 0742 737331
to whom written applications should be made by the 21st June, 1982.

Accountancy Appointments

Group financial director

W London area, £30,000 neg

C&L

For a £150m sales quoted UK group, divisionally organised, with substantial overseas interests. A well balanced mix of advanced technology products and services and geographical spread has provided consistent profits growth over the past 4 years.

Reporting to the MD you will direct the group financial function supported by a small HQ staff. *You will play a major role in assisting the Chairman and the board in developing long term strategies.*

Substantial experience in an international industrial group is essential.

Résumés including a daytime telephone number to E J Robins, Executive Selection Division, Ref. R092.

Coopers & Lybrand associates

Coopers & Lybrand Associates Limited
management consultants

Shelley House Noble Street
London EC2V 7DQ

Hoggett Bowers

Executive Selection Consultants

BIRMINGHAM, CARDIFF, GLASGOW, LEEDS, LONDON, MANCHESTER, NEWCASTLE and SHEFFIELD

Chief Internal Auditor

Papua New Guinea, c.£18,000

For a major subsidiary of an Australian multinational group with diversified interests including merchandising and distribution, manufacturing, automotive, shipping and transport totalling several thousand employees. The Chief Internal Auditor, whose primary function is the supervision of an independeot appraisal activity will conduct financial, operational and EDP reviews throughout the subsidiary's trading operations as a basis for service to managemeot by measuring and evaluating the effectiveoess of its financial, managerial and othar controls. Qualified accountants, aged 30 - 35, must have had several years' financial, operational and EDP auditing experience at supervisory or departmental control lavel in a large iodustrial organisation or major professional practice, preferably with internatiooal operations. Tha abova remuoeration packaga consists of a basic salary plus bonus and banefits include subsidised housing, annual leave fares, educational allowances etc.

B.F. Hoggett, Ref: 10305/FT. Candidates should writa or telex FULL career details to date to: *Minerva House, East Parade,* LEEDS, *LS1 5RX.* 0532-448661. Telex: 55293 Chacom G4HB.

Financial Controller

c.£16,000 + car

Our client is a medium sized engineering campany with a strang marketing influence and leading branded products.

They wish ta appaint a financial contraller wha must be an effective manager with the ability to ensure the regular praductian af dependable management infarmatian. Experience of integrated management infarmatian systems in a manufacturing environment and sound costing knowledge are essential requirements. Up to date exposure to camputerised manufacturing and accaunting systems is important. The present status of the Campany, its markets and likely new ventures shauld be a stimulant to the most able of finance executives. The locatian is a very attractive part af Southern England. Applicants shauld hald a recagnised accaunting qualificatian and preferably be aged 30-35.

Please apply (men and wamen) in canfidence quating reference 6090 to

Brian Mason
Mason & Nurse Associates
North West House
119-127 Marylebone Road
London NW1 5PU

Offices in London & Birmingham

Mason & Nurse
Selection & Search

ACCOUNTANCY APPOINTMENTS

RATE £29.00

Per Single Column Centimetre

TAX PARTNER DESIGNATE
LANCASHIRE

A.C.A. 30+ NEGOTIABLE c.£18,000

Our client, a medium sized firm of chartered accountants with offices throughout the United Kingdom, is seeking to recruit a Tax Partner to service the firm's Lancashire practice. Candidates should be aged from 30, be qualified chartered accountants and have some years' post-qualified experience at manager level in corporate tax with a good working knowledge of personal tax.

Clients range from small family businesses, partnerships through to a number of publicly quoted groups. Prospects exist to early salaried partnership and full equity partnership in the medium term.

For more information please telephone, or write with a c.v. to George Ormrod B.A. (Oxon) at our London office quoting reference 3671.

410 Strand, London WC2R 0NS. Tel: 01-836 9501
26 West Nile Street, Glasgow G1 2PF. Tal: 041-226 3101
3 Coates Place, Edinburgh EH3 7AA. Tel: 031-225 7744

DOUGLAS LLAMBIAS
Douglas Llambias Associates Limited
Accountancy & Management Recruitment Consultants

DLA

SENIOR ADMINISTRATION ASSISTANT / ASSISTANT COMPANY SECRETARY DESIGNATE

Bankers Trust International Limited, the UK wholly owned subsidiary of Bankers Trust Company, New York, is searching for a self-motivated person who will become a member of a team engaged principally in financial control and reporting, computerisation and secretarial duties. The duties of the successful candidate, who will report initially to the Company Secretary and the Controller, will be within the financial and secretarial areas. Salary is negotiable circa £12,000 and a fringe benefit package appropriate to a major financial institution is also offered.

Candidates probably aged between 28 and 33 will:

- be in the final stage for the completion of the examinations of one of the major accounting qualifications or be newly qualified;
- have work experience gained in a professional practice and/or a banking environment.

Encouragement will be given for the completion of examinations where appropriate.
In the first instance please write giving reasons why you may be suitable for the position offered.

Communications should be addressed to the Company Secretary, Bankers Trust International Limited, Dashwood House, 69 Old Broad Street, London EC2P 2EE.

FINANCE CONTROLLER – MANUFACTURING

c £16,000 + bonus + car

Our client is a U.K. subsidiary (T/O £50m) of a major U.S. group. Engaged in the manufacture and distribution of fast moving consumer products, it is a brand leader in its field.

The company is moving into a period of exciting change and seeks a top flight A.C.M.A. (age 25-34) to play a key role at its major location. The successful candidate will clearly demonstrate ability and achievement in the following:-

- Manufacturing/cost accounting
- *Computer systems development*
- Motivation and leadership
- Financial analysis and reporting

Relocation assistance will be given to an attractive location on the Hampshire coast.

Interested applicants should submit full career details quoting ref. 830 to **Philip Cartwright A.C.M.A.,** at 31 Southampton Row, London WC1B 5HY. Telephone 01-405 0442.

MP

Michael Page Partnership
Recruitment Consultants
London Birmingham Manchester

Chief Accountant

Birmingham Substantial salary + car

Newey & Eyre Ltd., a Thomas Tilling company, is the undisputed leadar in Electrical distribution in the U.K. Progressive, vary expansive, we hava well over £200 million *turnover and almost 100 branches* nationwide.

The appointment of Chief Accountant follows internal promotion and is a vary senior role. Reporting to the Financial Controller, it carries ovarall responsibility for the company's accounting functions and involves leading a sizeabla team of experienced departmental managers controlling over 200 staff.

Candidates should therefore be Chartered/Certified Accountants, aged 30-40, self motivating with at least 3 years' experience — outside the profession — of man-management, and running a large accounts department, within a commercial environment.

It is unlikely that anyone earning less than £12,000 p.a. will have sufficient weight and experiance. Other rewards include a prestigious car, BUPA and appropriate relocation expenses if necessary.

Write giving comprehensive details of your c.v., plaasa, to J.W. Exton, Group Parsonnel Manager, Newey & Eyre Group Ltd., Donne House, Calthorpe Road, Edgbaston, Birmingham.

NEWEY & EYRE LTD
a member of Newey & Eyre Group.
International Industrial Distributors

Financial controller

North West, £12,000 - £15,000 + car

C&L

For a newly formed finance house with a largely captive market and part of a major US group.

Reporting to the Managing Director you will be responsible for the entire financial function and will also act as Company Secretary. Your immediate *task will be to assist the Managing Director, DP Manager and other key* executives in getting the company operational as quickly as possible and in establishing all necessary financial controls and reporting procedures.

You must be an adaptable qualified accountant with at least 3 years' post-qualifying experience in commerce or the financial sector in a company making extensive use of DP facilities.

This is an excellent opportunity to get in on the ground floor in a company with ambitious plans and strong financial backing.

Résumés, which will be acknowledged and forwarded to our client unless a covering letter gives contrary instructions, to E J Robins, Executive Selection Division, Ref. R087.

Coopers & Lybrand associates

Coopers & Lybrand Associates Limited
management consultants

St James's House Charlotte Street
Manchester M1 4DZ

U.S. Accounting

C. London c. £11,500

The Headquarters of a world-wide high technology group, our client now seeks a further qualified accountant for the corporate accounting area. You will form part of a team responsible for the control and analysis of operating company results; you will also be particularly involved in legal consolidations and currency reporting to the American parent company. The company utilises sophisticated computerised systems and mini/micro computers for processing and analytical purposes.

Ideally aged 25/30, you will be a qualified accountant and probably a graduate. You should have up to 2 years' post qualifying experience, with exposure to corporate accounting or US statutory reporting requirements. Ambition and management potential will be well rewarded in this progressive group where promotion prospects are excellent.

Please telephone or write to Rebecca Goddard quoting ref: RG 6091.

Lloyd Chapman Associates

125, New Bond Street, London W1Y 0HR 01-499 7761

FINANCIAL CONTROLLER

We are a small dynamic and expanding plc with financial and industrial interests who seek a qualified person keen to make a positive contribution within a slim dedicated HQ team.

Responsible to the Chairman and Chief Executive, the position calls for strong emphasis on finance/management accounting, cash flow and controls, and will include secretarial matters. Business experience is essential.

Applicants, ideally in their 30s, should be within ¾ hour travel of West End. Remuneration negotiable.

Apply with full details, in confidence, to

Box A.7873, Financial Times
10 Cannon Street, London EC4P 4BY

AMSTERDAM LONDON

neg. c.£13000 — £15000

TWO young ACA/CA's or equivalent, age c. 23-30 are required by major U.S. multi-national for positions based in both Amsterdam and London involving in excess of 50% European travel.

Those recruited will have good professional backgrounds and possess the driva, ambition and personality which equates with success.

A good to fluent second European language, preferably French or German, is desirable and career prospects are excellent.

In the first instance please telephona the company's adviser (and send your CV to):—

GEORGE D. MAXWELL
95, Charlbert Court,
London NW8 7DA.
Telephone: 01-722 8093 (24 hours)

JOBS COLUMN

Confessions of candidates from the campus

BY MICHAEL DIXON

EMPLOYERS who advertise not for real people. but for bundles of abstractions such as "imaginative profit-oriented approach with intelligence and drive," seem finally to have met their match.

Here is a self-description written on a job-application form by one of this year's impending university-leavers.

"I am particularly good at organising, possesa a dynamic, but practical and conscientious approach to life and work and always strive for perfection. As a result of higher education I have gained an intellectual and social maturity, a trained and disciplined mind and learned to apply my knowledge and ability to their best advantage. Living with fellow graduates has helped me better understand the individualism of people, endowed me with patieoce and dinlomacy and the ability to quickly assess people's needs and wishes."

On balance, I feel, any human recruiter would be less likely to offer that candidate a job if the claim turned out to be true than if it were merely a delusion or—as I hope is the case—satirical.

Bot Martin Higham of Rowntree, who cites the student's reply in the latest newsletter of the Standing Cooference of Employers of Graduates, also supplies three quotations from job-applicants who atrayed too far in the opposite direction. They range from the priggish:

"I prefer to keep my interests private. Hobbies—I have none."

through the bewildered:

"I am available for unemployment, but unable to find any at the moment."

to the sinister:

"I had to have an operation to correct a double hernia in early September and I am still recovering from this. If I do not find employment in the near future I will probably enter hospital again to have two wisdom teeth removed.'

Fortunately, Mr Higham reports, recruiters interviewing at the campuses this year were compensated by the occasional inspired performance. The prize should probably go to the student who, oo being asked what he did in his spare time, opened his briefcase, produced a bottle and two goblets and answered: "Home-made wine. Would you care for a glass?"

Hunter

HEADHUNTERS Korn/Ferry International are in the market on their own behalf for someone to join as a director of the group's London company. It already has aenior executive-searchers specialising in oil and eoergy, electrical and electronic engineering, and compnters, and another specialist in financial services is on the way in.

The idea is that the director now being sought will bring in thorough knowledge of and contacts in another broad industrial field and so increase Korn/Ferry's range of specialisations. But nobody is yet sure what the new field might best be.

Fast-moving consumer goods is one possibility that occurs to Sir John Trelawny, the London company's deputy managing director. Consumer durables is another. If the candidates come up with other, brighter ideas, then so much the better. The only condition is that whatever the new specialisation may be, it must offer scope for recruitment of executives on an international scale.

Because of this Sir John wants applicants to bave experience of general management in a multinational operation within the field they propose to cover as a beadhunter. They should also have been successful in selling, and those with experience of aearch consulting would have a distinct advantage.

Succesa in the joh would earn fairly quickly the opportunity to take ahares in the U.S.-based Korn/Ferry International group and rise to vice-president status —or, as the London office prefars to say, become a partner.

The indicator for basic salary is up to £30,000. There will also be a bonus related to results. The other benefits include a car.

Inquiries to Sir John at 2-4 King Street, St James's, London SW1Y 6QL; telephone 01-930 5524, telex 914860.

Consultancy

THE NEXT opening is for someone able and willing to market the expert services of a London-based consultancy specialising in strategic advice to organisations in the telecommunications field. The job is being offered by recruiter Geoffrey King who may not name the employer. So as always in this column when a beadhunter keeps mum about the client, be promises to abide by applicants' requests not to be named to the employer without further notice.

"Knowing how to market a consultancy is a very different thing from marketing a product," be says. "This particular one isn't big in terms of people, but it's already established itself and now needs to expand by making its skills, especially in market and product-mix strategy, known to top management in all kinds of telecommunications organisations, public sector as well as private."

His idea of the best background for candidates is work on the manufacturing side which has resulted in a high level of technical knowledge and also a hroad understanding of the industry, followed by telecommunications consultancy which has included generating new business.

Impressive academic credentials would help and Mr King thinks—in my view superficially —that because the rest of the company is on the young side, the recruit should be aged around 35.

Salary up to £25,000. Perks negotiable.

Inquiries to Cambridge Recruitment Consultants, 1a Rose Crescent, Cambridge CB2 3LL; tel. 0223 311316.

Motors

BOB PEARCE of REP Consultants is seeking a regional director in the Midlands for the vehicle-sales division of a British group, who will be expected to earn the divisional chief'a joh within a couple of years.

The region covers eight large retailing outlets, dealing mainly in cars, and a total of roughly 700 employees. Candidates must bave made profits in a similar business, managing at least half a dozen motor-retailing sites of considerable size. The preferred age range is 32 to 45.

Mr Pearce says that no firm figure has been set for the salary, but by estimate would be a minimum of £20,000. The other benefits will include a company car.

"As I see it," he adds, "the sort of person we're looking for will he more concerned with the promotion prospects of the job than with the immediate financial rewards."

Inquiries to him at 14 Barker Street, Nantwich, Cheshire CW5 5SY; Tel: 0270 626828.

Lawyers

FINALLY to the Arabian Gulf where three jobs for solicitors or barristers with experience in commercial and company law are being offered by Christopher Ley-Wilson of Philip Egerton and Associates.

Two are wanted in the United Arab Emirates, each working for a leading bank. One of them will deal with all the legal aspects of international syndicated lending, of which a large proportion is apparently related to Government. The other will be more concerned with commercial and industrial borrowers.

The third post is with a large legal practice in Kuwait, and the responsibilities are of a broad commercial kind.

Salaries are not quoted, but my guess is £25,000 upwards tax-free, with the usual range of expatriate perks. Family accommodation is offered for the two jobs in the United Arab Emirates, but there is a preference for a single person in Kuwait.

Inquiries to Mr Ley-Wilson at 178-179 Piccadilly, London W1V 9DP. Tel: 01-499 2215; telex: 28146 REG G.

INTERNATIONAL BANKING

AUDITOR — **SINGAPORE**

A progressive international bank offers an opportunity to a young Accountant based in Singapore. As Branch Auditor you will be involved in all aspects of bank auditing therefore a high standard of general education is required. Candidates must be fluent in local dialect. c.S.$73,000. Ref: DE/2274A.

AUDITOR — **BERMUDA**

An international bank seeks a qualified CA to join their audit staff in Bermuda. Ideally candidates will have gained bank audit experience through the profession or from working in a bank. Preference will be given to single persons seeking excellent career prospects. c.$25,000. Tax Free. Ref: DE/2193A.

FX DEALER — **BAHRAIN**

A leading and prestigious market name seeks a Young Dealer whose principal involvement to date has been in spot and forward trading. Suitable candidates will come from active and aggressive trading rooms and have the necessary drive to succeed in a growing market. £ neg. Ref: DE/2269A.

FORWARDS TRADER — **LONDON**

London branch of an expanding international bank seeks an experienced forwards trader to complement its existing dealing team. Familiarity with most major currencies will be sought and knowledge of Mid East currencies an advantage. £ neg. Ref: DE/2277A.

CORPORATE DEALER — **LONDON**

The London branch of a leading international bank wish to recruit an experienced customer dealer. Ideally in your early to mid twenties you will have proven experience in this field, gained with an institution recognised for the quality and professional approach of its corporate traders. £ neg. Ref: DE/2278A.

LEE HOUSE, LONDON WALL, EC2. 01-606 6771

ROBERT HALF

SEARCH & RECRUITMENT

ANALYTICAL EDITOR

With strong Marketing and Sales orientation required for established financial service with untapped potential.

This appointment would suit a self-motivated Financial, Corporate or Industrial Analyst/Salesperson willing to work hard to establish his or her future.

Salary is negotiable but the main reward will come with the fruits of success.

Applications will be treated in confidence.

Please reply with c.v. to:

The Chairman
T. R. INTERNATIONAL LIMITED
3 Heddon Street
London W1R 7LE

Corporate Finance

We are looking for an Executive for the Mergers and Acquisitions Department, which is part of the Corporate Finance Division of the Bank.

The successful candidate, who should be not more than 29 years of age, is likely to have at least three years' experience as an analyst in a financial or investment institution covering a variety of industries primarily in the U.S.A. but also in the U.K. He or she should have a sound knowledge of accounting principles and a good writing style, as well as being capable of working with a minimum of supervision and participating in discussions at a senior level with corporate clients.

The position offers the opportunity to work in a small specialised team and would involve visiting the U.S.A. at least once or twice a year. For the right candidate there would be prospects for promotion within the Corporate Finance Division or other departments of the Bank. The salary will be competitive and other benefits include house mortgage assistance, non-contributory pension, free life cover, and BUPA.

Please write with a full curriculum vitae to

Russell Smith, Personnel Manager,
Kleinwort, Benson Limited,
20 Fenchurch Street, London, EC3P 3DB.

KLEINWORT BENSON
Merchant Bankers

Corporate Banking Opportunities

The Co-operative Bank p.l.c. is a fast growing Clearing Bank providing the full range of banking services. Due to the continued expansion of its branch network, we are now seeking additional Corporate Business Executives in the following areas:

North East	based at Newcastle
North Midlands	based at Nottingham
South West	based at Bristol
E. Anglia/ South Midlands	based at Chelmsford/ Colchester
London & South of England	based at London

We are looking for candidates with a sound banking background who have had lending experience in a recognised financial institution. They will be expected to continue the development of the Bank's expanding corporate portfolio, working closely with the Branch Managers in their localised area.

Applications for these positions are invited from persons in the age group 28–38 with a minimum of 5 years' experience in the corporate field.

Remuneration will be attractive to suitably qualified candidates, who will hold at least an A.I.B. Other benefits will include concessionary mortgage facilities, pension facilities etc.

Written applications, which will be treated confidentially, including a Curriculum Vitae, should be sent to:

K. M. Farrell,
Personnel Manager,
Co-operative Bank Group,
Head Office,
P.O. Box 101,
Balloon Street,
Manchester M60 4EP.

co op Bank

Finance Officer [Administration]

LONDON W1 — c. £14,000

As a result of internal promotion, a key vacancy has arisen in the Financing Department of British Gas, a young professional team managing the finances of the Corporation.

The person appointed will be required to manage a small section concerned with the administration and control of all transactions arising from the financing of the Corporation, both in international and domestic markets. He/she will also provide technical support on major financing issues.

Applicants should be professionally qualified with a degree. Experience in the control of treasury operations and with computer based accounting systems will be an advantage.

Salary will be within the range £14,394–£16,329 and benefits are those normally associated with a large progressive organisation.

Please apply, quoting reference number F/036501/FT, and giving full personal and career details, to: Assistant Personnel Manager [HQ Services], British Gas, 59 Bryanston Street, London W1A 2AZ.

BRITISH GAS

Company Secretary

Around £15,000 — **London**

This significant national group with a turnover approaching £200m. is engaged in the distribution, retailing and servicing of cars, commercial vehicles, industrial and construction equipment; automotive parts and accessories; vehicle and boat hire. The successful candidate, will join a small head office team, and be accountable to the Finance Director.

Candidates, Chartered Secretaries, probably 30 to 40, should be able to offer successful and broadly based experience and now be seeking greater responsibility. The post offers ample opportunity for increased managerial involvement.

Fringe benefits include car, season ticket loans, and cheap lunches.

Please write to Ken Orrell, ref. B.19215,
MSL Chartered Secretary, Management Selection Limited,
52 Grosvenor Gardens, London SW1W 0AW.

This appointment is open to men and women.

MSL
CHARTERED SECRETARY

LENDING MANAGER DESIGNATE

City — **To £14,000 + Benefits**

Our client is the merchant banking subsidiary of a substantial international banking group. The company has expanded rapidly over recent years and to facilitate continued planned growth they urgently seek experienced Lending Officers.

Candidates will probably be aged 27-32 and in addition to a sound technical banking background will possess the necessary presence and self motivation to warrant early promotion in a dynamic and fast-moving environment.

These key positions carry attractive benefit packages and give excellent scope for continued career development.

In the first instance please reply to Malcolm J. Hudson,

Hudson Shribman International

College Hill Chambers, 23 College Hill, EC4 — 01-248 7851

Chief Executive

GREATER MIDLANDS CO-OPERATIVE SOCIETY LIMITED

Due to the impending retirement of the present Chief Executive, the Directors invite applications for the appointment of his successor at a salary of not less than £35,000.

The Society is based in Birmingham, employing 4,000 people, with a turnover in 1981 of £113 million. The trading activities incorporate two superstores, 125 retail outlets covering various food, discount and department stores, dairy, bakery, and funeral service operations.

The Chief Executive is responsible to the Board of Directors for the management of all activities in order to achieve the Society's corporate objectives.

Candidates, up to age 53, should preferably possess a high level of professional qualification and have gained practical experience ideally in a large, diverse commercial enterprise. They will need to demonstrate not only the relevance of their experience but also their interpretation of the future role and responsibilities of the appointment.

Please apply for information relating to the appointment and an Application Form which should be completed and returned by 25th June, 1982.

co op

Applications to:
Mr. K. A. Tailby,
Chief Executive,
Greater Midlands Co-operative Society Ltd.,
27-38 High Street,
Birmingham B4 7SE.

FINANCIAL DATABASE MANAGER

for a company whose services to the European Financial Community are rapidly expanding.

This new position will be based in the City of London, and will entail developing new databases on financial securities and maintaining existing ones. A knowledge of the securities market and computing experience are considered essential, though necessary training will be provided in London and the U.S., foreign languages would be an asset. The position will involve day to day contact with our clients and our information sources.

Salary and benefits are negotiable, and will be competitive.

For an initial discussion, please write or telephone in complete confidence to:

Manny Kott	or	Anthony Prince
IDC		Chase Econometrics
58-60 Moorgate		Avenues des Arts 52
London EC2R 6EL		1040 Brussels
		Belgium
(01) 638-0466		(02) 511-68-64

CHASE ECONOMETRICS/INTERACTIVE DATA CORPORATION

Personnel Officer - Merchant Bank

c.£10,000 p.a.

A major City merchant bank employing in excess of 350 people seeks an experienced Personnel Officer to manage the recruitment, employment and welfare of its clerical and secretarial staff.

Candidates are likely to be 27+, graduates, with at least two years' experience of similar work within a banking environment. I.P.M. membership would be a distinct advantage.

One of the reasons you would want to join this organisation is for the informal, though highly professional, working atmosphere and the remarkably direct lines of communication which characterise the management structure.

A competitive banking remuneration package is included with the above salary.

Please forward a detailed c.v., together with an indication of current salary, to arrive no later than 1st post, Tues. 8th June, to:

M. R. Lytton,
Saatchi & Saatchi Recruitment,
80 Charlotte Street, London W.1.
Quoting ref. CB/11

CHARTERED SURVEYOR WEEKLY

the new weekly journal for the property professional to be launched later this year by the Royal Institution of Chartered Surveyors in partnership with the Builder Group needs

1 News Editor
2 Reporters
2 Sub-Editors

to join the team led by the Editor-in-Chief, Michael Hanson, as soon as possible.

Plans are now well advanced for this exciting new publication, which will bring together the standing of the RICS and the publishing experience of the Builder Group, both of which have been established more than 100 years.

Only those with first-class journalistic abilities should apply for these posts, but any lack of knowledge of the property world or experience of weekly publishing may be compensated by enthusiasm for the project and a dedication to make it take its rightful place as the authoritative journal for all property professionals.

Successful candidates will be well rewarded, and they will be working in modern offices in the Fleet Street area.

Applications (including CV) to:
Michael Hanson, P.O. Box 87, 1 Pemberton Row, EC4P 4HL.
Tel: 01-353 2300

BANKING APPOINTMENTS

BRANCH MANAGER(S) — **Salaries: £10,000**

An interesting and challenging opportunity has arisen with a developing British Bank, to manage one of their new branches. We would expect the successful candidates to have; full A.I.B. several years branch banking experience and presently be grade IV or V. Age 28-32.

Please contact: David Little

INTERNAL AUDITOR — **Salary c £10,500**

A leading Merchant Bank requires an Internal Auditor aged between 25-35 years. Applicants should hold the AIB qualification and have had some inspection experience. A knowledge of computer auditing would be helpful. The usual banking benefits will be available.

Please contact: Peter Latham

UK/LEASE MARKETING MANAGERS — **Salary: £20,000+**

We currently have a senior vacancy with a major international bank. The position is very much project finance related, covering the bigger ticket transactions in the £4m plus category. A proven track record in negotiating is essential plus a good all round technical ability. Candidates should be aged 30-38 years and possess a relevant degree or professional qualifications.

Please contact: Brian Gooch

Jonathan Wren — BANK RECRUITMENT CONSULTANTS
170 Bishopsgate · London EC2M 4LX · 01 623 1266

LINCOLN COLLEGE
New Zealand
(UNIVERSITY COLLEGE OF AGRICULTURE)

PROFESSOR OF MARKETING

The Council of Lincoln College, University College of Agriculture, invites applications for appointment of a Professor of Marketing in the Department of Agricultural Economics and Marketing.

Applicants should hold an advanced university degree in an appropriate discipline. While direct academic, research and/or commercial experience in *the marketing of agricultural* and horticultural products will be an advantage, the Council will welcome applications from candidates whose principal interests in the past have been in other areas, but who also display outstanding potential in the field of commodity or consumer marketing or both. The Council would also be prepared to consider a short-term appointment from an applicant who does not wish to accept a permanent position.

The appointment will be made within the existing range of professorial salaries, NZ$41,937 - NZ$52,482 per annum, the commencing salary being determined by the College Council.

Expenses of appointment reimbursed up to specified limits. New Zealand Government Superannuation is available.

Further details and general Conditions of Appointment are obtainable from the Secretary General, The Association of Commonwealth Universities (Appts), 36 Gordon Square, London WC1H 0PF, or from the Registrar, Lincoln College, Canterbury, New Zealand, with whom applications close on 16 August 1982.

BANKING OPPORTUNITIES

BUSINESS DEVELOPMENT — **£20,000+**

A major International bank requires a professional banker at senior management level, to generate and develop business in Central and Eastern Europe. Applicants should be mid 30's, fluent in preferably French and German, possess relevant qualifications and have at least four years' experience in marketing bank services to corporate and bank clients.

MARKETING—INSURANCE — **c. £17,000**

A leading International bank is seeking a marketing officer aged early 30's with experience in marketing bank services to clients in the Insurance Industry. Applicants should preferably be U.S. bank trained and possess the appropriate professional and academic qualifications.

FOREIGN EXCHANGE DEALER — **£10,000 neg.**

Dealer, foreign exchange and sterling, with three/four years' experience required by prestigious international bank.

FOREIGN EXCHANGE DEALER — **£10,000**

Foreign exchange and deposit dealer, aged mid 20's, with three years' experience in dealing room, required by International bank.

BOND DEALER — **£10,000**

Underwriting arm of International bank requires bond dealer, age immaterial, with two/three years' experience in bonds, CD's and FRN's.

LJC Banking Appointments Ltd.
170 BISHOPSGATE, LONDON EC2M 4LX
01-283 9953

Real* Career Management Assures Real* Success, Satisfaction and Reward

Executives/Professionals can • realise career objectives • secure relevant jobs • reduce real risks • at realistic cost.

To discuss how, phone Peter Gardiner Hill on 01-486 4027

GHN — Gardiner Hill Needham Executive Counsel Ltd.
Royds House, Mandeville Place, London W.1.
* See Oxford Dictionary.

WE PRODUCE FILM, VIDEO, AUDIO VISUAL PRESENTATIONS, GRAPHIC DESIGN AND WE NEED A

GENERAL MANAGER

For a well-established company with multinational clients. The successful candidate will manage all aspects of the Company's activities, including *production, accountancy and administration*. Sound financial and business experience is a necessity, whilst an interest in the marketing field is a prerequisite. No direct experience in Audio-Visual is necessary.

Salary negotiable around £14,000+car+share options available, dependent on experience and aptitude.

Write enclosing a C.V. to:
Box A7874, Financial Times, 10 Cannon Street, London EC4P 4BY
or telephone: 01-628 5423

Executive Appointments

The specialist service for senior executives seeking new appointments. Our success-related fee structure is unique. Contact us for a confidential meeting.

Connaught — Executive Management Services Limited

73 Grosvenor Street, LONDON W1 – 01-493 8504

International Appointments

General Manager/Accountant

Oil

Middle East

Attractive Package

The company is an international oil corporation with extensive North Sea operations as well as exploration and production activities worldwide.

They are seeking an individual to assume accounting and administrative control of a small middle eastern office. The critical responsibility will be to provide interface between local partners and government offices and senior management at US headquarters. As well as the day to day running of the office and small staff, duties will include financial accounting and reporting and submission of tax returns to government agencies.

Candidates must be qualified accountants with some staff management experience and well developed communicative skills. Knowledge of oil or related industries would be an advantage but not essential. Previous overseas experience is not required. The position offers married status and would be suitable for families with young children. Age is indicated as 30-40.

Please reply in confidence giving concise caraer and personal details and quoting Ref. ER512/FT to J.J. Cutmore, Executive Selection.

Arthur Young McClelland Moores & Co., Management Consultants, Rolls House, 7 Rolls Buildings, Fetter Lane, London EC4A 1NH.

Arthur Young McClelland Moores & Co.

A MEMBER OF AMSA IN EUROPE AND ARTHUR YOUNG INTERNATIONAL

EMPLOYMENT CONDITIONS ABROAD LIMITED

An International Association of Employers providing confidential information to its member organisations, not individuals, relating to employment of expatriates and nationals worldwide.

01-637 7604

APPOINTMENTS WANTED

EXECUTIVE, BANKER

41, married, West German, looking for long-term executive position in Banking, Industry or Financial Management in Europe or overseas (excl. Middle East).
Extensive experience in executive positions in banking, shipping and financial administration. Accustomed to negotiating international business at high level with full responsibility. German, English fluent, Spanish basic.

Please reply to:
Box A7872, Financial Times
10 Cannon Street, London EC4P 4BY

The Ministry of Commerce and Agriculture of the pleasant Island State of Bahrain wishes to make the following appointments:

Price Adviser

from £19,700 p.a. tax free

To play a major role in the development of comprehensive plans to implement procedures for collecting data on commercial prices and analysing them on a scientific basis. This will include studying import prices and other costs and quantities handled to establish reasonable price controls. The successful candidate will also be expected to conduct studies of basic commodities to determine appropriate retail prices, as well as to offer advice and consultation to management in respect of relations with International organisations, public and private corporations that provide valuable data used in price analysis and administration. The ability to provide training to employees in the section is essential.

The expected qualifications should include a Masters degree in Business Administration, Commerce or Public Administration specialising in any two combinations of Marketing, Finance or Economics with several years experience in this or similar fields some of which spent at supervisory level. A good knowledge of the Arabic language would be ideal.

Financial Analyst

from £14,100 p.a. tax free

The role calls for comprehensive studies, analysis and evaluation of financial accounts and budgets of a number of commercial companies as well as participation in evaluating public projects in relation to cost effectiveness. The duties also include the preparation of studies as needed in other economic sectors.

A Masters Degree in Commerce/ Economics or equivalent strongly biased on financial analysis together with a number of years practical experience in this field and a good knowledge of the Arabic language will be distinctly advantageous.

These are bachelor or married status positions which carry above average conditions reflecting the importance of the appointments. Non Arabic speaking candidates with relevant qualifications should not be deterred from applying.

Initial interviews will be conducted in London during the week commencing 21 June 1982. Up to date resumes supported by copies of qualification documents should be sent to A. J. Hakim, MBA MSc, Adviser to the Ministry on these appointments, or call for a confidential Personal History Form.

A&A Consultants

A & A Consultants Ltd., 10 Little Portland Street, London W1N 5DF. Tel: 01-631 4184. Telex: 8956538.

DIAMOND SORTING STAFF
AUSTRALIA

ARGYLE DIAMOND MINES

ARGYLE DIAMOND MINES PTY. LIMITED is a company formed to manage the operations of the Ashton Joint Venture.

In late 1979, the Ashton Joint Venture discovered a major diamond deposit at Argyle, near Kununurra, in the far north of Western Australia. Evaluation of the deposit is continuing and it is anticipated that a full scale plant will be constructed during 1983-1984, with production scheduled to commence during 1985. From late 1982 production on a limited scale will be from associated alluvial deposits.

The company is now seeking the services of a number of people who have experience in the sorting of rough diamonds.

Ideally applicants should have a minimum of 10 years' experience, but those with a lesser amount should not be deterred from submitting an application. People who do not possess relevant experience should not apply at this stage.

GENERAL INFORMATION

These positions will be based in Perth and will be career appointments. Perth is the capital city of Western Australia and has a population of approximately 1 million. It is situated in the south western corner of the State and enjoys a mild climate throughout the year.

Salary will commensurate with qualifications and experience.

Excellent conditions, including contributory superannuation scheme, non contributory accident insurance coverage and generous leave entitlements apply.

Travel and removal costs on appointment will be borne by the company.

Please apply in writing, including a Resume of personal details, qualifications and employment history to:

The Personnel Superintendent,
Argyle Diamond Mines Pty. Limited,
Private Bag No. 11,
WEST PERTH, WESTERN AUSTRALIA, 6005.

ARGYLE DIAMOND MINES

The Gambia

Accountant-General

Up to £17,835 substantially tax-free

- ★ To serve as Head of Treasury
- ★ To co-ordinate all the Government's accounting work
- ★ To produce the annual financial statement

Assistant Auditor-General (Development)

Up to £16,180 substantially tax-free

- ★ To manage and audit the Development Fund

Candidates must be ACA, ACCA, ACMA or CIPFA. For the former post they should have at least 10 years post qualification experience and be aged between 40 and 55 whilst for the latter they should have at least 5 years post-qualification experience and be aged between 30 and 45. Accounting experience in the public sector of a developing country would be advantageous.

Benefits

- ★ Free passages including children's holiday visits
- ★ Generous paid leave
- ★ Education allowances
- ★ Subsidised housing
- ★ Appointment grant
- ★ Interest free car loan

For full details and application form write or telephone Linda Mitchell on 01-222 7730 Ext 3714, quoting YX/109/FT for the Accountant-General post or YX/401/FT for the Assistant Auditor-General post.

Crown Agents

The Crown Agents for Oversea Governments & Administrations, Recruitment Division, 4 Millbank, London SW1P 3JD.

ERI

Specialists in recruitment for the Middle East

Accountants/ Financial Analysts — Gulf

Our Public Sector Client, situated in a safe and popular part of the Gulf, is rapidly developing *its* control function and is currently seeking young, *qualified* accountants, CA, ACCA, ACMA, *to* fill the following key posts:

Chief Accountant Finance (Ref: CAF)
Chief Accountant Treasury (Ref: CAT)
Chief Accountant Management Accounting (Ref: CAMA)
Chief of Computer Systems (Ref: CCS)
Senior Internal Auditor Computer Audit (Ref: SIAC)
Internal Auditors (Ref: OA)
Financial Analysts (Ref: FA)

The work and social environment is ideal for young expatriates able to shoulder responsibility and keen to make a significant contribution, away from the frustrations of high taxation and mass unemployment, in an area where effort is justly rewarded. For some of the posts a knowledge of Arabic would be an advantage.

In addition to generous tax free salaries (up to £20,000) fringe benefits include agreeable working hours, furnished accommodation, car allowance, educational assistance, free medical attention, home leave, etc. Two year contract, single or married status.

If you wish to be considered for any of the above posts please write in *strict confidence* quoting job reference and enclosing full personal details, work experience and photograph to Michael Berger FCA, Managing Director, Executive Resources International, 87 Jermyn Street, London SW1Y 6JD.

SAUDI ARABIA

Chief Dealer

Leading financial institution in the Eastern Province requires a very experienced Chief Foreign Exchange Dealer, familiar with all aspects of spot and forward exchange as well as deposit dealing.
The ideal candidate will be at least thirty five years old and will preferably have had general banking experience.
Furthermore, candidates who wish to or have recently retired from active dealing would be suitable.

Duties will include, aside from dealing, improving the organisation of the dealing room as well as hiring and training of junior dealers.
Actual dealing will be more orientated towards corporate rather than interbank clients.

Further banking responsibilities will be available for the right candidate in the medium term.

Tax-free salaries, free accomodation and an attractive benefits package will be offered to successful applicants.

Please reply in confidence to:
Mr. Alan Wood
8, Crosby Square, London EC3A 6AN.

All interviews will be held in London

A Saudi Arabian Eastern Province Manufacturing, Marketing and Service Organisation requires:

A Head of Finance and Administration
Salary Stg. £20,000 per annum
Tax Free

He will report to the general manager of the organisation. He must be a professionally qualified CA, ACCA or ACMA with considerable experience in computerised accounting systems (an IBM 34 is being used), manufacturing cost accounting and management information systems. He must be a tough disciplinarian, setting up internal controls and adhering to strict reporting deadlines. He must be capable of working with a high calibre management team and yet at the same time ensure that budgetary and internal controls and administrative policies are adhered to. Some overseas travel is involved.

This organisation is still in its pre-operating stage and provides a tremendous challenge for the right person. A minimum of ten years' post qualification experience is required.
Please provide a full cv with salary history, positions held and full description of duties and responsibilities in last two positions.

Preferred age range 33-45 years. Other conditions of service — renewable two year contract, free car, free accommodation, business class return air fare to UK every four months for 14 days leave. Married status possible after initial period.
Applications in own handwriting must be received by the 12th June.

Reply Box A7871, Financial Times
10 Cannon Street, London EC4P 4BY

Financial Careers in Saudi Arabia

Progressive major Saudi Arabian Construction and Engineering firm is expanding and offers the following career opportunities in Finance.

INTERNAL AUDITOR

Establish internal auditing systems to promote accuracy and reliability with accounting and operating data, compliance with policies and measures to judge and improve operational efficiency. This position requires a university degree in accounting with a minimum of 10 years' experience in internal auditing with three years as a manager and bi-lingual ability in Arabic and English.

FINANCIAL ANALYST

Perform feasibility studies and tests to ensure soundness of proposed projects and investments. The successful applicant will have a university degree in finance or business and seven years' related experience with a bank or investment company. Bi-lingual ability in Arabic and English required.

COMMERCIAL DEVELOPMENT MANAGER

Perform feasibility studies, search and consummation of acquisitions. These investments would range from real estate to established business. The successful applicant will have a university degree in Business Administration or Operations Research with a minimum of 10 years' applicable experience.

We offer an excellent salary with generous benefits including housing, free medical care etc. Please apply in writing with complete c.v. to:

Mrs. M. A. Peers (Dept. FT)
TENDA PROCUREMENT & SERVICES LTD.
CP House
97-107 Uxbridge Road, London W5

BANK OF BOTSWANA

MONETARY ECONOMIST

Applications are invited for a senior post in the Research Department of the Bank of Botswana—which is the Central Bank of Botswana.
The post requires an economist with considerable experience in the following fields:—

(a) Monetary and Banking Policy
(b) Investment of Foreign Exchange Reserves
(c) Interest and Exchange Rate Policy
(d) Credit Control Policy
(e) Balance of Payments Problems.

The incumbent will help to formulate advice to the Governor of the Bank and other parastatal bodies on issues of a macro economic nature.
The post is available immediately.
The ideal candidate will have the following academic qualifications:—

(a) Ph.D. plus three years' relevant experience OR
(b) M.Sc. plus six years' relevant experience.

Salary

Approximately P29 000 including Inducement Allowance plus 25% tax-free gratuity, passages, education allowance etc. (Current rate of exchange: Pula 1 = U.S. Dollar 0.9702).
Applications including a curriculum vitae should be sent to the Director of Administration, Bank of Botswana, P.O. Box 712, Gaborone, Botswana.
Further details can be supplied on request.

SEARCHING FOR THE RIGHT JOB?

We can help you by offering the most comprehensive Career Counselling service in Europe.
Our unique guarantee assures clients of rewarding careers, of which some 70% are obtained from the unpublished job market.
Telephone for a free confidential appointment for an assessment by a consultant, or send us your c.v.

CHUSID
The Professionals In Career Counselling

London: 01-580 6771
35-37 Fitzroy St. W.1.
Manchester: 061-228 0089
Sunley Building, Piccadilly Plaza.

We are also specialists in 'Outplacement' for organisations, through our affiliated company Lander Corporate Services Limited. Address as above.

INTERNATIONAL APPOINTMENTS
APPEARS EVERY THURSDAY
RATE £29 PER SINGLE COLUMN CENTIMETRE

THE ARTS

Record Review/Jazz

Kevin Henriques

Happy sounds from the local talent

Whenever discussion focuses on British jazz musicians worthy to have the epithet "world class" applied to them two of the most oft-cited names are Bobby Wellins and Roy Williams. Wellins, an idiosyncratic spinner of angular phrases on the tenor-saxophone, is remembered paramountly for his contributions to Stan Tracey's *Under Milk Wood* recording in the mid-1960s but in recent years has enjoyed a much-acclaimed renaissance leading his own group. Williams has, since the 1960s, when as a member of the Alex Welsh band he shared the stand on tour with the legendary Dickie Wells, steadily consolidated his rightfully earned position as one of the country's most accomplished trombonists. Both are on their highest form on separate albums from the Edinburgh-based Hep label.

Primrose Path (Hep 2012) came about as a result of a Jazz Centre Society tour Wellins made with American trombone player Jimmy Knepper in 1980. Knepper's very personal style—fast and unsymetrically phrased—compliments, not clases with, the equally individual Wellins. They indulge in eloquent harmonising on the rarely-heard Vernon Duke tune "What is there to say?", which is given a graceful treatment, and have some neat exchanges on Knepper's "Latterday Saint," one of three of the American's compositions included. Wellins is paired just with pianist Pete Jacobsen on Monk's "*Round About Midnight*" on which there is some none too abrasive "free" playing. Jacobsen, who at times sounds over-recorded, asserts himself on all tracks with his solos and comping behind Knepper and Wellins.

On *Something Wonderful* (Hep 3015) Roy Williams is teamed with Eddie Thompson (piano), Len Skeat (bass) and Jim Hall (drums) for seven familiar standards and a Williams original. For the most part, the listener's attention is held firmly—as on the Wellins-Knepper collaboration—by the variation in presentation. On the dashing "Cheek to cheek" Williams is muted throughout but is always mobile and in full command. "I'm getting sentimental over you," done as a bossa nova at the start, has some interesting tempo changes, and on a couple of tracks Eddie Thompson utilises (effectively in my view) a synthesiser which conjures up almost a Mantovani-like string section. A springy opening chorus by Williams with Skeat only on "Isn't it romantic?" is another device which exemplifies the obvious thought which went into the production of this top-class, all-British album to which all four participants make essential contributions.

Bobby Wellins—world class and British

Unlike the British musicians mentioned so far, singer Kim Lesley is a comparative newcomer. My initial encounter with her voice was at the first (and last) Magnus Jazz Festival in 1979 where she sang with the National Youth Jazz Orchestra. On *Store it up 'til morning* (Zodiac ZR 1016), her solo LP debut, she is backed energetically by some of her former NYJO colleagues and straightaway impresses as a jazz-tinged vocalist of power and versatility. The former quality is amply demonstrated on the title track (which she co-wrote) and the latter on an unusual version of "Love is here to stay" on which her Della Reese-inspired phrasing comes across forcefully. Also offered are a jolting (to Ivor Novello worshippers) of "My dearest dear" and a furious, crisply attacked "I cried for you." No doubt that Kim Lesley can belt out a tune, but importantly she shows she can bring delicate appreciation to lyrics—which makes her ill-conceived medium-tempo version of Billie Holiday's "Fine and Mellow" all the more regrettable.

Normally the jazz heard on *Hooked on Dixie* (NWJB2) is the kind I prefer to listen to through a glass darkly. But, like Benny Green who writes on the sleeve cover, I have personal reasons for not upsetting the National Westminster Bank which has the infinite wisdom to allow members of its staff to unwind playing jazz under its official aegis. More importantly — and most seriously — all the NatWest Jazz Band's engagements are in aid of charity and the proceeds of this, the band's second album, go to the Mental Health Foundation.

The LP is a bright package of a dozen tunes, nearly all hackneyed warhorses of the Dixieland repertoire but all put over with the obvious and enviable enthusiasm of amateurs plus more than a soupçon of professional skill. Adding a dash of gold as guest on "New Orleans" and "Chinatown" is another of Britain's acclaimed instrumentalists, trumpeter Kenny Baker. His spirited playing on the latter and the massed band's equally spirited rendering of the lyrics (recalling the efforts of Geraldo's "boys"), are sufficient reasons for happily expending £3.50 on a truly worthy cause.

More happy sounds on *Hit that jive Jack!* (Groove G101) from the West country group Groove Juice Special which has taken jive music to its bosom. Jive, recently brought to public consciousness by Joe Jackson, is really the mixture of swing, blues and Tin Pan Alley purveyed in the 1940s by musicians such as Louis Jordan and Slim Gaillard. Here seven instrumentalists plus two singers (all renowned in the Bristol area) get stuck into 13 tunes on which the instrumental playing conveys more successfully the low-down, happy spirit of jive. For me singers Ray Bush and John Skues seem stiff and a little self-conscious delivering the sort of zany lyrics which people like Jordan and Gaillard got away with so zestfully and naturally.

However the band's heart is clearly in the right place and the inclusion of Jordan classics such as "Five Guys named Moe" and "Saturday Night Fish Fry" (though here "Fitterday" is substituted for "Saturday" for complicated reasons!) ensures humour is never far away. All the instrumental work, notably Nick Cooper on alto and Al Raitt on tenor, is a needed reminder to London-based jazz writers of the flourishing jazz scene in the West country.

Only brief mention, alas, of two worthy albums by American artists. *Last Year's Waltz* (ECM 1213) has vocalist Sheila Jordan with the trio she appeared with at last October's Camden Jazz Week. Here Jordan confirms anew that she is one of the foremost jazz singers, past or present. Her "I'll remember you" is chilling and the interplay between herself and the trio on Charlie Parker's "Confirmation," where she does some prodigious scatting, is remarkable. Pianist Steve Kuhn alternates, as he did at the Round House, between impeccable, sensitive accompaniment and over-long solos of almost embarrassing bombast.

Art Farmer, another recent visitor to these shores, is heard mainly on flugel-horn on *A Work of Art* (Concord CJ 179). The exception is "Red Cross," another Parker composition, on which he uses muted trumpet to great effect. The whole LP is an agreeable mixture of standards and originals to which Farmer brings his immediately identifiable sad-toned lyricism. On a skating version of Irving Berlin's "Change Partners" he proves that the larger version of the trumpet can be played with fleetness. All facets of his warm, lyrical style are showcased with trio backing in a session which is satisfyng without being earth-shattering.

Talley's Folly/Lyric, Hammersmith

B. A. Young

New York award winner travels well

Jump on the next train for Hammersmith, where Lanford Wilson's *Talley's Folly*, Pulitzer prizewinner and winner of the New York Drama Critics' Award for best play, has made it belated appearance in London.

Wilson learned his trade off-Broadway, and indeed still writes his plays for the Circle Rep, of which he was a co-founder with Marshall W. Mason, his director there and at Hammersmith. But there is nothing eccentric about this play, apart from its being in one long act introduced and tailed by one of the players, who tells us what we're in for with the house-lights up, and then confirms that what he told us was true.

The play is a two-hander in one continuous scene, developed with a skill that should put all our short-winded writers to shame. It is set outside the boathouse on the Talley estate, the Talleys being a Missouri family whose fortunes Wilson is following in the manner of Eugene O'Neill. Sally is the only Talley daughter. In July 1944 she is a nurse in a hospital in Springfield, Missouri, and though she is 31 there is no sign of a possible marriage.

But she has been pursued by a 42-year-old Jewish accountant, Matt Friedman, of Lithuanian origin, whom the Talleys regard as a Communist traitor. Matt reckons he has once had an affair with Sally, but now Sally is keeping him at arm's length. There has been some apparent disgrace in her past life that she is anxious to keep hidden from him. It is the solution of this mystery, and the reconciliation between the two, that occupies the evening, and it occupies it amusingly, tensely and—dare I say it?—sentimentally.

The playing of Jonathan Pryce and Hayley Mills as Matt and Sally is something to remember. It is Mr Pryce who gives the introduction, and he does it without the embarrassment it might so easily provoke, especially when he makes a joke about doing it all again twice as fast. He is still half a compere when Miss Mills comes on in a light summer frock and the play begins. Both are acceptable Americans; but Mr Pryce has the advantage of playing an ex-European Jew, so that there is more colour in his speech and more subtlety in his behaviour. Mr Mason's direction is infallible, and the design by Grant Hicks of the tree-surrounded boathouse and "folly," a tatty summerhouse, could not be better, with its generous detail.

My account of the play should not give the impression that it is simple or straightforward. It is full of little subtleties (note, for example, the significant ease with which Matt lights his cigarette when reconciliation is signalled), and it avoids excessive emphasis. Sally's imagined fault, which results in her being unable to have babies, might so easily have been attributed to some real social disgrace; but no, it was a simple illness that just seemed disgraceful to the hypercritical Talleys. The hypercritical Talleys are only just offstage all evening; what they were doing while Sally and Matt were at the boathouse is told in another play.

Trevor Humphries

Hayley Mills—something to remember

Armide/Spitafields

Ronald Crichton

The Spitalfields Music Festival opened on Tuesday with the first of four performances of Gluck's *Armide*—the first opera, I believe, to be staged (as opposed to being given concert performance) in the Hawksmoor church of Christ Church. Richard Hickox conducts, the producer is Wolf Siegfried Wagner. The church was full, the evening warm, but both music and execution made the attendant discomforts and a long sit seem of little account. It would be wise to hook for the remaining performances — tonight (Thursday), Saturday and next Tuesday.

Gluck's *Armide* was written for Paris (1777) but, unlike for example *Alceste*, was not a "reform opera." On the contrary, Gluck took the unusual step of choosing a libretto by Quinault written for Lully some 90 years before, rather as though Saint-Saëns had set Voltaire's *Samson* or Ravel had ont a libretto by Scribe instead of turning to Colette. But not quite, for the prestige and influence of the French *tragédie-lyrique*, placed so firmly on the rails by Lully and Quinault, were still powerful enough to tempt Gluck to measure himself against them. As Max Loppert points out in a valuable essay in the programme, Lully's *Alceste* remained a long time in the Paris repertory.

The Gluck version is one of those masterpieces that have remained just below the operatic horizon. Every opera-lover knows of it, many wish or long to hear it, a lucky few have actually done so—a rarity it may be, but it crops up from time to time. At Spitalfields *Armide* is excellently well sung and played. Mr Hickox brings the score, including pages that look bare in vocal score, to vigorous life. Gluck's strong, full invention fairly bounds at one. His simple-seeming but subtle scoring cuts through the church's resonance better than one dared hope. One can't say the same for the words, but the singers must be left for the moment.

Wolf Siegfried Wagner and the designer Dacre Punt perhaps wisely shrank from trying to match the Baroque splendours of the East end with its giant screen of Baalbek pillars. They seem rather to have taken their cue from the restorers' and builders' mess, adding a three-sided platform beside and behind the orchestra and a white screen of swinging doors with an inner stage that is a white box — now as conventional as but preferable to the black drapes with which we were long afflicted.

Armide, as Andrew Porter once remarked, is "the most emotionally intricate of Gluck's heroines."

But Mr Wagner's claim that the action "reflects the transformation of her state of mind" is one-sided. Quinault had other aims as well—the hero Renaud reflects, perhaps not entirely flatteringly, the martial prowess, and ultimate ability to withstand fleshly temptations, of Louis XIV. For the ballets (the furies' dances are cut) we have slow evolutions, rather effective in the last act. The fine chaconne is played as an interlude.

The costumes of Annena Stubbs are all white — both she and the set designer may have looked at the work of Max Bignens for the Parisian producer Lavelli. Many of Miss Stubbs's combinations of Baroque and contemporary references are ingenious, but Armide's tunic and trousers (and eye make-up like sun-specs) are a mistake. To show the sorceress at the beginning as the turbaned scourge of the Crusaders (the story is from Tasso's *Gerusalemme liberata*) is permissible. To keep her in trousers throughout, substituting Minnehaha bandeau for turban after the interval, is unwise. Armide's intense femininity is lost and one has to take her (and the singer's) beauty on trust.

One undoubted success for producer and designers is the disputed fourth act, which sticks in the gullet of commentators who still haven't worked round to Italian or French Baroque opera. This act, showing a Danish Knight and his companion Ubalde adventuring through the magic garden to rescue Renaud from Armide's toils, is a kind of interlude (partly, one suspects, to give the hard-worked Armide a rest), on which Gluck lavished some of his freshest, most immediately attractive music. Mr Wagner plays it, surely rightly, for comedy — Quinault and Lully used a similar type of contrast in the Charon scenes of their *Alceste*.

The great role of Armide the sorceress, pasisonate, wayward, painfully aware that Renaud only loves her when he is magicked into doing so, is taken by Felicity Palmer. Worthily taken, too, in spite of the handicap of her costume and of the devastating effect the architecture has on the words. Quinault was not and did not need to be a great poet, but as a librettist he was admirably and unequivocally clear and direct. Miss Palmer's diction in French as in other languages is normally diamond-clear, but on Tuesday one could only make out an occasional phrase from her or her colleagues. Some of Armide's music, I am told, was transposed down, which no doubt helped at the top but led to some weak notes lower down. The celebrated "Ah! si la liberté" was melting. Much else was vividly dramatic, with moments when the cutting edge on the middle voice grew a little monotonous.

Miss Palmer is sturdily supported by Sally Burgess and Marie Slorach as the handmaidens Phénice and Sidonie, doubling for the spirits who try to waylay Ubalde and the Danish Knight, by Stephen Roberts and Keith Lewis very likable as those characters, by Raimund Herincx as King Hidraot, by Lynda Russell as a melodious Naiad.

As Hatred, who so cruelly calls Armide's bluff, Linda Finnie triumphs over billowing sheets threatening to engulf her. Renaud is sung by Anthony Rolfe-Johnson. The part is difficult not because it is long but because it is fragmentary. Mr Rolfe-Johnson sang the second of his big numbers particularly well and most sensitively conveyed the knight's return to his senses. It is good news that a recording is on the way.

R.S.L. awards

At the annual general meeting of the Royal Society of Literature, to be held on June 16, C. M. Woodhouse, chairman of the council, will make the Society's annual awards for 1981 under the William Heinemann Bequest and the Winifred Holtby Bequest.

The Heinemann prize of £2,000 is shared between James Lees-Milne for his biography, *Harold Nicolson* (published by Chatto & Windus), and Jonathan Raban for *Old Glory* (published by Collins).

Alan Judd wins the £500 Holtby award for his novel *A Breed of Heroes* (Hodder & Stoughton).

National gets a sponsor

The National Theatre has at last forged links with a commercial sponsor. John Player is to invest £240,000 over the next three years in helping the National to tour the regions. As well as being the National Theatres' first major experience of sponsorship—earlier attempts have floundered over disagreements over the amount of exposure for the sponsor—it *is* also Player's first involvement in the theatre, although the company is a major supporter of opera, ballet and music.

The National Theatre will visit ten cities this autumn with five productions—*Don Quixote, The Importance of Being Earnest, The Voysey Inheritance, A Midsummer Night's Dream* and *Guys and Dolls* (two weeks in Bristol in October).

Mitsuko Uchida/Wigmore Hall

Andrew Clements

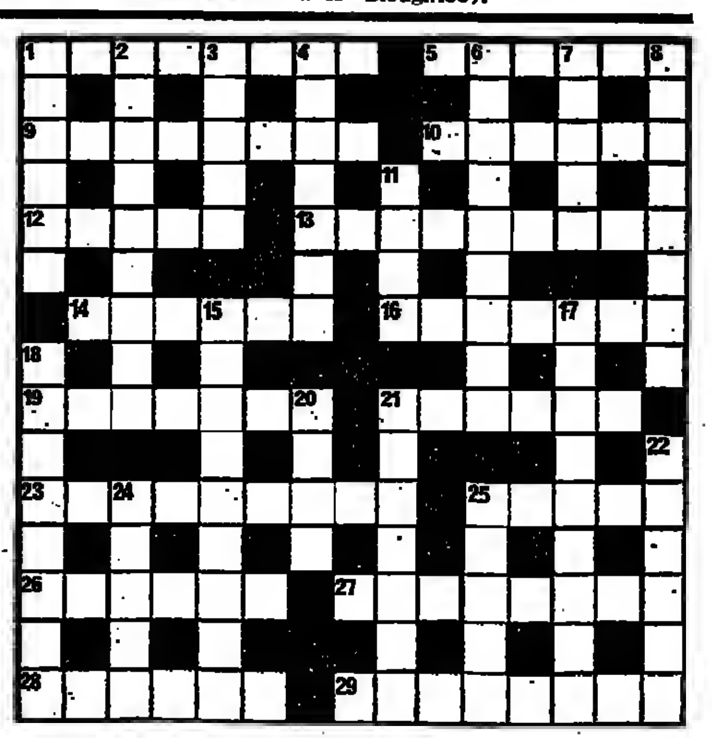
The first two of Miss Uchida's recitals in her Mozart sonata series have been comprehensively praised on this page by Dominic Gill and David Murray. It remains to add a further paean for her third instalment on Tuesday night: an evening of unalloyed pleasure, of inquiring mind and quickly responsive fingers perfectly attuned. Incomprehensible that the hall should not have been full.

For one who savoured Miss Uchida's early London recitals, immediately after her prize in the Leeds competition, but who has lost touch with her recent development, this furnished evidence of that first promise being brought steadily to fulfilment. For all the originality of her ideas of interpretation, there is never anything superfluous, no ingratiating glosses; yet every passing chromaticism is weighed for its expressive potential, every flicker of rhythmic variation gently underlined.

There are, inevitably, movements that do not come off; one hesitates to call them failures when invariably they contain passing beauties. But it is utterly characteristic of Miss Uchida that on Tuesday she should follow one of these, the opening Allegro of the F major sonata K.533, with a slow movement of extreme poetic intensity, and a finale of confounding enigmas, and go on to prove in the C minor sonata K.457 that the over-excitement which had spoilt the earlier movement could be focused to intensely dramatic effect, not only in the sonata itself but in the C minor fantasia K.475 that she rightly included as preface.

The carefully graded climaxes, their tension imperceptibly accruing, made the fantasia unusually satisfying, and her concern to articulate each paragraph, to the extent of extending silences, had earlier given the Andante of the C major, K.545, a special, prayerful calm. In this first sonata of the evening Miss Uchida demonstrated her ability to produce playing of a devastatingly effective plainness though, again characteristically, she could not resist giving the main theme of the finale a canny, irrepressible lilt.

F.T. CROSSWORD PUZZLE No. 4,887



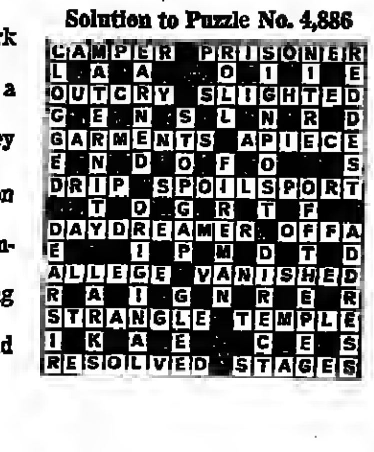
ACROSS

1 Portrayed an old northerner appearing in an exploit (8)
5 Take a look at a bird (6)
9 An old game in a London street (4-4)
10 Lunatic, vassal and I join Alpine Club (6)
12 Just sound fit (5)
13 Marginal note I'll put in placard (9)
14 Tactless, being left in Paris (6)
16 See it go astray and flatter oneself (7)
19 Mean to affirm how old one is (7)
21 Metrical foot from Mediterranean island (6)
23 Bigoted, as an expensive book may be? (4-5)
25 Five with a fever becoming blurred (5)
26 Catch part going to the north-east in reverse (6)
27 Honour a brace connecting staves (8)
28 Men she upset as in 26 (6)
29 Follower of the Old Man of the Mountains gets two fools in (8)

DOWN

1 Go away and die (6)
2 Nobleman friend's solemn (9)
3 Heavenly body needing me in bed (5)
4 Cuts in the same quarter twice to overshadow (7)
6 Horse and I smell sugar (9)
7 Exercise soldiers? It could be boring! (5)
8 Judge an instrument (8)
11 Land in the centre of Bisley (4)
15 Fool's gold that miners work for? (4-5)
17 Egg-preserver is in a tumbler (9)
18 Fine textile fibre for money only (8)
20 Small case holding note on the parson-bird (4)
21 Manuscript volumes company chops up (7)
22 River always running between poles (6)
24 Type of line to throw mud at? (5)
25 A flower that could be instrumental (5)

Solution to Puzzle No. 4,886



FINANCIAL TIMES
BRACKEN HOUSE, CANNON STREET, LONDON EC4P 4BY
Telegrams: Finantimo, London PS4. Telex: 8954871
Telephone: 01-248 8000
Thursday June 3 1982

Mr Reagan's broad agenda

PRESIDENT Reagan's brief round of bilateral visits in Europe which starts this week by now seems to hold a good deal more interest, and perhaps also more promise, than the Versailles economic summit to which it is officially a background. In his welcome, cordiality will be mixed with more than a little curiosity, for the President is anxious to alter the established perception of him as a rather simplistic hard man of the right. This is much more than propaganda. The announcement of the Strategic Arms Reduction Talks (Start), and the Administration's provisional acceptance of the existing Salt treaty, are much more than gestures; and the President is broadening the international agenda in other ways.

The British Parliament is to be the audience for what may prove the most significant new item: what is billed as a fresh American approach to relations with the developing world, with a stress on encouraging democratisation as well as development. Mr Donald Regan, the U.S. Treasury Secretary, has already given some indication of the economic side of this new approach, with his recent call in London for an initiative to encourage better conditions for productive international investment, governed by a new international code analagous to Gatt. This is very much in line with known Administration views on aid and development, and is no doubt seriously intended.

Cornerstone

The President may find a more sceptical audience for his political message, if it matches advance billing. It represents a radical change of approach, and if there is indeed a new approach it has not apparently yet been impressed on such officials as the U.S. Ambassador to the United Nations.

Nevertheless, there are strong reasons for accepting the new-model President at face value. Disarmament is only the latest of a whole series of issues on which the President has moved away from his electoral rhetoric and back towards the central themes of recent U.S. foreign policy. Early fears of aggressiveness or isolationism have proved unfounded; Nato remains a cornerstone of policy; and American reaction to recent perplexities—notably the Falklands crisis and the new aggressiveness of Iran—have looked very like the reaction which might have been expected of any previous U.S. Administration.

This development of policy has been a product both of the President's own character and of political and economic pressures. Mr Reagan came to office classed as a populist, but his real strength is in persuasion. His early triumphs with Congress and the warm personal relations he has established with several European leaders show this.

Stalemate

A good persuader must be a good listener, and Mr Reagan does appear genuinely responsive to outside views. The rapid growth of the peace movement, in the U.S. as well as in Europe, has visibly affected his policies. It may now emerge that in relation to the Third World too, the President has been ready to learn from new experience and new acquaintance.

He has also had to learn from bitter economic disappointments, which threaten a sharp political setback in the November Congressional elections. The cause is simple and widely understood: in the words of the current Morgan Guaranty economic survey, the President's earlier guns-and-butter strategy simply isn't workable. An ambitious programme of rearmament threatens either an endless persistence of high real interest rates, or the abandonment of the President's domestic programmes—the difficult choices which have now led to a stalemate with Congress.

Objectives

The early hope that the stronger U.S. economy could drive the Russians either to serious disarmament or full-scale economic crisis through the challenge of the arms race has been abandoned; both systems need relief from the strain, and America's strategic objectives must be approached by more subtle and accommodating routes. That is why the President seems to be presenting an agenda which dwarfs the dry and baffling issue at Versailles.

The Comecon credit debate

GIVEN THE WIDER strategic and foreign policy concerns of the Reagan Administration it was only to be expected that it would, as at Ottawa, seek to put East-West economic relations on the agenda at Versailles. The Americans' specific concern is with the amount of credit that the West makes available to the Soviet bloc and the terms on which it does so.

In theory it ought not to be difficult to establish Western consensus on two fundamental propositions here. First, it makes no sense for the West to subsidies interest rates on official export credit to the Soviet Union—least of all when the leading industrial countries are trying to keep budget deficits on a tight rein. Second, the West should be prepared to discuss, monitor and perhaps also co-ordinate its lending policies towards the East in order to ensure that there are no further Polands and Romanias, no repetition of the debacle in which the Soviet bloc was allowed to accumulate $80bn of debt which it is now unable to service.

Perceptions

Yet the seven summit countries do not appear to have been able to agree in advance on a form of words in the communique to cover this aspect of East-West economic relations. The explanation lies mainly in different perceptions and differing national interests.

What on the surface appears to be a straightforward argument about credit is in reality a fundamental debate on Western objectives in East-West economic relations. At one end of the spectrum are those in the U.S. Administration who argue, from a global perspective, that detente has been a failure and that the West should now frame an economic policy towards the East whose chief aim would be to curb the Soviet military build-up. All balance of payments deficits with the East, so the argument runs, result in a net transfer of resources from West to East which facilitates high Soviet defence spending and opportunism in the Third World. Trade and financial dependence make Western Europe vulnerable to Soviet arm-twisting.

For their part, the Europeans take a less jaundiced view of detente and continue to believe that trade relations with the Soviet bloc are, on balance, economically and (to a lesser extent) politically beneficial. And they believe that problems of vulnerability to Soviet pressure are manageable. The argument, in which the principal participants are the Americans, the West Germans and the French, reached deadlock last December.

President Reagan's sanctions against the Soviet Union over the imposition of martial law in Poland effectively put an embargo on the use of American technology in the construction of compressors for the pipeline that is to carry natural gas from remote fields in West Siberia to Western Europe. A number of companies, including John Brown of the UK and AEG of West Germany, are unable to complete existing contracts unless the administration is prepared to make concessions, or the technology becomes available from elsewhere.

The importance of credit in all this is that it offers scope for compromise both between hawks and doves in the American administration, and between the Administration and the Western Europeans. Earlier this year a group of leading U.S. officials led by Mr James Buckley sounded out Europeans on the issue of credit subsidies and the need for greater co-ordination on credit. The mission was inspired by the Atlanticists in the administration. And while the initial European response to its chief proposal—that credit should henceforth be put on the strategic agenda—was suspicious, there are now the beginnings of a useful dialogue.

Concessions

European readiness to make concessions, however, has been damaged by President Reagan's decision to lift the partial grain embargo against the Soviet Union last year. If the President, whose Republican party now confronts electoral problems in the grain-producing mid-West, is tempted to enter a new long-term grain agreement with the Russians, the logic of the U.S. position on, for example, the gas pipeline will look even more suspect.

The best that can probably be hoped for from the Versailles summit is that the participants will give modest impetus to the dialogue that started with the Buckley mission. In the long run the new strain of pragmatism in U.S. foreign policy may yet enable the West to reach consensus on a common economic approach towards the Soviet bloc.

MONEY BROKERS DIVERSIFY

Mercantile's £91m gamble

By John Moore, City Correspondent

"It's going to be fun," says Mr John Barkshire, chairman of Mercantile House, pictured in the dealing room

Leonard Burt

WEDNESDAY, 9.40 am. The foreign exchange room of the London money broking operations of Mercantile House is in uproar. Young men, ties loosened, shirt sleeves rolled up, are yelling a complicated series of numbers into telephone receivers.

In front of them, their own personal switchboards are flashing lights. Out of intercoms other voices are booming cryptic numbers and crisp commands. "It is a fairly quiet week," observes one senior broker.

The hot house world of money broking — where professional buyers and sellers of money, specifically currencies, are brought together by the brokers to achieve the finest possible terms on their deals — may be having a quiet week on the foreign exchange side. But the main Board of Mercantile House has just negotiated by far the most important deal in the group's history.

Barely had the long holiday weekend in the UK finished when Mercantile announced that it planned to acquire Oppenheimer Holdings, a Wall Street stockbroker and fund management group, in a deal worth £91m.

"The only thing that money brokers and stock brokers have in common is the noun 'broker'," snapped a competitor of Mercantile yesterday.

Whatever the commercial logic of the deal, it is a reflection of the sea change taking place in the UK money broking community. Recently Exco International, the holding company for money brokers Astley and Pearce and Godsell, and another newcomer to the stockmarket, bought W.I. Carr Sons and Co (Overseas), the Hong Kong stockbroking arm of the hard pressed stockbrokers Carr Sebag.

Exco has also expanded into financial information services through acquiring an interest in Telerate Inc, the American communications network which enables dealers to flash prices immediately across the world.

The ambitious acquisition programmes of the more successful money brokers have been assisted by very high share ratings which have allowed them to use their shares for acquisition purposes. The trick was to persuade shareholders that the groups' money broking magic would rub off on the businesses they were acquiring and that there would be no adverse impact on performance as far as shareholders were concerned.

Mercantile House's shares, first issued at 160p in 1979 were suspended this week at 420p—a rate of share price appreciation achieved despite two rights issues, a one-for-one scrip issue and a string of acquisitions. More importantly Mercantile has managed to show an excellent rate of profits growth, more than doubling its earnings per share in the two years to April 1981.

Money broking became an extremely profitable business largely due to the instability of foreign exchange and other money markets. As market rates became more volatile, banks have turned to the specialist brokers to provide access to the finest, up-to-the-minute rates, and to a wider range of buyers and sellers.

The brokers have held an important edge over the banks through the development of important international branch networks, ranging from Tokyo through the Middle East, Europe to America.

The fortunes may be changing for the sector, however. For some time the banks have been growing restive about the level of commission which they have paid to the money brokers on their transactions.

After heavy lobbying they managed to persuade the Bank of England, which regulates the money brokers, to reduce commissions on several deals and permit volume discounts.

The banks complained that these reductions were inadequate, but the brokers argued that the incentive would be enough to concentrate the banks' custom on fewer brokers in order to take advantage of the discounts. This in turn, however, would lead to more mergers among the brokers, which the banks did not want as it would reduce competition among the brokers.

This is what is happening. Since the beginning of the year, when the new commission rates came into effect, Mills and Allen has acquired Guy Butler (International) for £10.7m and Mercantile House has acquired the troubled Charles Fulton company for £6.5m. Fulton had run into problems when its financial resources were stretched by attempting to expand into New York.

According to Mr John Barkshire the 46-year-old chairman of Mercantile, the sector is now polarising into very large groups, but leaving room for manoeuvre by small specialist concerns. It is the medium-sized groups which are likely to be squeezed. In the mid-1970s there were 18 recognised foreign exchange brokers and now there are only five large groups: Exco, R. P. Martin, Mercantile House, Mills and Allen (which owns Harlow Mercer) and Tullett and Riley.

Through the acquisition of Oppenheimer, Mercantile is at the least consolidating its position among the five. It will double its payroll from around 2,000 to 4,000. In its last reported financial year, ending in April 1981, Mercantile declared pre-tax profits of £7.1m.

At the press conference when Mr Barkshire unveiled the plan, the air was thick with phrases like "strategic objective," "synergy" and "precise fit."

Mr Barkshire stressed that the move is part of a long-term objective to develop the group as an international financial services organisation operating throughout the world's money, securities and related markets.

He wants Mercantile to derive no more than between a quarter and a third of its business from any single activity, thereby improving the group's earnings quality and spreading the exposure to what are high risk activities. Over the last year the group has acquired three commodity brokers, two money brokers, and a U.S. broker.

Mr Barkshire says of his deal with Oppenheimer that "it is going to be fun. Already our commodity people are talking to Oppenheimer."

For the future, he says that Mercantile aims to remain in "the financial markets we understand. We have now got to put the flesh on the bones of our plans." Even so Mercantile will be reacting to changes in the money markets and has its eye on the emerging financial futures market. Any attempts to acquire a U.K. stockbroker will be frustrated by the present rules of the Stock Exchange which limit holdings by outside interests in broking firms to 10 per cent although this is likely to be raised to 29.9 per cent.

Meanwhile the upheaval in the money broking sector is likely to continue for some time to come.

Why Oppenheimer welcomed the takeover

A key figure in the marriage between Mercantile House and Oppenheimer is that of Michael Stoddart, an entrepreneurial character who does not fit the popular — and not always flattering — image of a UK investment trust director.

As a director of the Electra House group of investment trusts, he has also been on the board of Oppenheimer's securities business since Electra bought its initial stake in the group seven years ago.

Stephen Robert, Oppenheimer's president and chief operating officer, says his firm had been talking for some time about the growing concentration in the securities industry. Its managers saw there could be some value in getting bigger, but they also wanted to retain a considerable say in the way their business was run.

"We started to talk to Michael," says Mr Robert, "and he said 'I have got a terrific idea'." By late February, Oppenheimer was in preliminary talks with Mercantile — which also has close connections with Electra — and the deal was finally sewn up last Sunday.

Mercantile is paying a fancy price for the U.S. business—$162.5m compared with net worth of around $48m and after tax profits of $17.4m in the year to last January. But Oppenheimer is a very profitable business, with a good reputation on Wall Street.

Founded in 1950, Oppenheimer mainly catered for institutional customers—until May Day in 1975, when the abolition of fixed commission rates changed the face of the U.S. securities industry. The firm decided to survive through diversification and to carve out a niche for itself in providing financial services to very wealthy customers. It now has four branch offices in major metropolitan areas outside New York and Mr Robert claims that its salesmen on average do three times the business of their counterparts on Wall Street, thanks to the emphasis on wealthy clients.

Oppenheimer offers a variety of tax shelters—its clients were among the early backers of De Lorean on this basis—as well as other sophisticated services like arbitrage and options trading. It now gets about $4 of business from private clients for every $1 it rakes in from the institutions.

The firm has also developed a fixed income department, and in the past two years has been pushing into the mergers and acquisitions business. It has 27 research analysts, and has become a leading specialist in "leverage buy-outs."

From a low point of $422,000 after tax in 1976-77, profits from the securities business climbed to $16.1m in 1980-81, before a surge in expenses squeezed net income back to $12.6m in 1981-82. Sharholders' funds in this side of the group total $41.2m, and have risen by three-and-a-half times in the last four years.

The rest of the business being bought by Mercantile consists of a mutual fund group—mainly money market funds—with $8.5bn of assets, a pension fund side with $3.3bn under management, and a real estate group which has put together roughly $1bn of property deals.

According to Mr Robert, the main attraction of a link with Mercantile lies in the UK group's international connections.

However, he admits there are some fundamental differences between the two companies. Mercantile has grown up in the wholesale markets—in its money broking operations, for instance—whereas Oppenheimer retails its services to the public. While Mercantile generally acts as an agent, the U.S. firm quite frequently operates as a principal—making markets in over-the-counter stocks, or playing the arbitrage game on its own account, for example.

This means it is much more capital intensive than its new owner. But Mr Robert insists that it has not gone into the deal in order to bolster its balance sheet. "We have enough capital to grow the business to two or three times its current size," he says.

Oppenheimer's partners will be taking most of their proceeds in cash, and some of them — especially the key half-dozen members of its executive committee — will become very rich men. At least some of their new capital will be reinvested in the partnership, which will continue to operate as an independent entity under a new name.

Inevitably, there is already speculation on Wall Street that some of the partners may be tempted to take their money and run. But Oppenheimer insists that its present team will remain in place. After all, says Mr Robert, one of the main reasons for doing a deal with Mercantile was that it allowed the business to continue under its existing managers.

Richard Lambert in New York

Men & Matters

Unbeaten gold

Golden Fleece indeed. Winning his second Derby in five years means that the pockets of Vernons Pools millionaire Robert Sangster are given another lining of the stuff.

The unbeaten colt, which he bought for about £430,000, should now be worth up to £20m—and there are the bonuses from Epsom of £113,901 and a £3,500 gold trophy.

"There is no room for sentiment about horses," Sangster says. "This is a business run as a business." And with eight Classic winners in England, France and Ireland since 1977, no one is making a better job of running it.

Sangster's equine empire of several hundred horses—even he is never sure of the exact number—is valued at more than £100m. Racegoers call him lucky, but his good fortune is based on a team of experts backed by an open chequebook.

Golden Fleece now looks a bargain buy—and next year so may the Mill Reef colt which Sangster bought at Newmarket last October for a record £672,000.

But if that is what it takes to stay at the top of the fantasy-ridden industry, many a thousand others found a day's enjoyment in the event yesterday whether perched on top of a bus in Epsom's thunderstorm or comfortably ensconced in front of a television screen at the Savoy Hotel's party.

For rather smaller investments than Sangster's, some even managed to show a profit. The Stock Exchange sweep was won by five "extremely hard-working" senior dealers at brokers Wood Mackenzie. They shared £15,000 and offered a celebratory jar to at least one of the partners—Peter Derby.

Dodgy thoughts

To listen to Dan Bawly, an Israeli author turned accountant, you would think that Mahatma Gandhi is the high priest of tax dodgers. He calls tax "avoision" a "modern powerful form of passive resistance; a movement which has no heroes but in which the Government is the villain."

Bawly was in London yesterday after the launching of his book "The Subterranean Economy," which has already drawn what he gingerly terms "adequate" reviews in the U.S., where it was brought out by McGraw Hill.

In economic terms (in politics he's a liberal) he is considerably to the right of Professor Milton Friedman, arguing that in democratic countries only the rich tenth of the population should pay taxes and Governments should assume responsibility for the poorest tenth.

As an accountant who advises clients on tax avoidance, he admits to being a "camp follower" of the subterranean economy and tactfully refrains from supporting it or attacking it.

He entered accountancy, which he terms "a fun discipline," in 1957 after several years in journalism during which he emerged as an expert on Israel's black economy. At the request of his father—"my censor"—his book pays only scant attention to Israel's well developed black economy and far more to the same phenomena in the U.S., Britain, the EEC and Scandinavia.

Learning fast

After years of criticism, the British appear at last to be learning not to expect the rest of the world to conduct its business in English.

Like Dr Stanley Ridgwell, who leaves London for Tokyo tomorrow to take over as president of ICI Japan, more businessmen are now setting out adequately equipped in the language and customs of the people with whom they will be dealing.

Ridgwell is perhaps a special case. Having served ICI since 1965 in Malaysia (where he was president of the international chamber of commerce), Thailand, Singapore and India, it is hardly surprising that he should prepare for his new posting with a six-week intensive course in Japanese ("enough to exchange polite greetings and get around) and a thorough briefing on the country's social and political background.

But London's School of Oriental and African Studies, which provided Ridgwell's special tuition, is finding a growing demand from business for similar courses.

Long used to brushing up the Foreign Office's expertise in Burmese or Swahili, the extramural division is now laying on regular courses for businessmen in Arabic, Chinese and Japanese. It has also this year coped with more esoteric demands—from Blue Circle for courses in Bahasa Indonesia, for example.

SOAS charge fees of around £300 a week for the tuition. "We have not gone out offering these facilities to business, it has come to us," says assistant organiser Graham Thomas.

Talks are already being held with Manchester Business School about a collaborative venture to give its graduates that bit extra in the markets where it matters.

Adverse action

Mexico's best known cartoonists, Rius and Naranjo, are paying dearly for lampooning President Jose Lopez Portillo and his designated successor, Miguel De La Madrid. Two cartoons, one showing Lopez Portillo struggling in vain to get out of a net, and the other De La Madrid receiving a jewellery box containing the country's problems (corruption, hyperinflation, a massive foreign debt) have led to the government withdrawing all its advertising from the magazine "Proceso."

As a result, the liberal weekly, which like all Mexican magazines relies heavily on government advertising, has had to close down its nationwide news agency.

The Mexican Press claims to be free. The government, however, is able to influence it by placing advertising, controlling the supply of newsprint, a state monopoly, and compensating poorly paid journalists with extra money for toeing the line.

The cartoonists broke one of the unwritten rules that the President must not be ridiculed. Lopez Portillo's Press secretary, Francisco Galindo Ochoa, told government agencies not to advertise in "Proceso" and without exception they obeyed him. "Proceso" reporters have also been banned from covering the president's trips.

"Proceso" appeared this week with its first editorial on the government's move. The magazine said that it would continue its critical policy and would not be deterred by the advertising ban.

Naranjo appeared with a cartoon in the form of a floral tribute thanking Galindo Ochoa for his action.

Whatnot

Guidelines on good behaviour would seem to be a growth sector—the Germans on "how to" when abroad, the Brits on "what not to" when in Spain for the World Cup and now the Malaysians are being given some pretty firm advice. Mind you these are from the Prime Minister to his Ministers and state leaders.

Out go dealings in publicly-listed companies, the leaders of the 13 state governments can only apply for one piece of land each for house building and as for night clubs even just dinner or a stage show should be avoided. Tough.

Observer

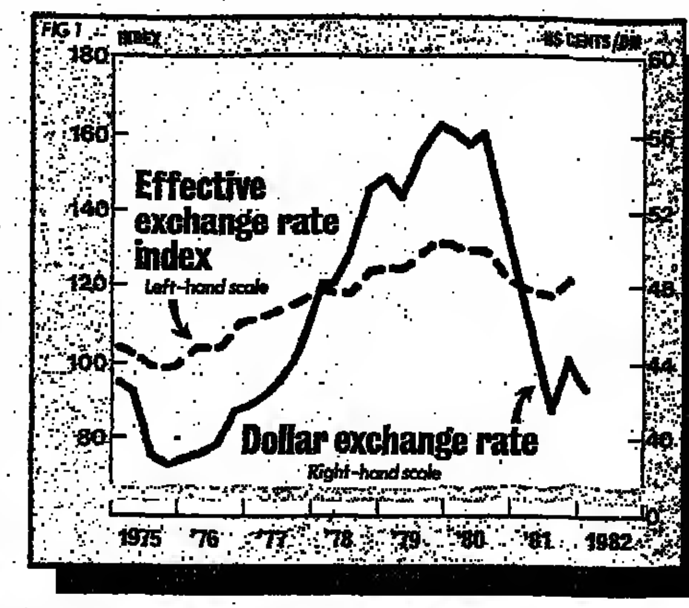
ECONOMIC VIEWPOINT

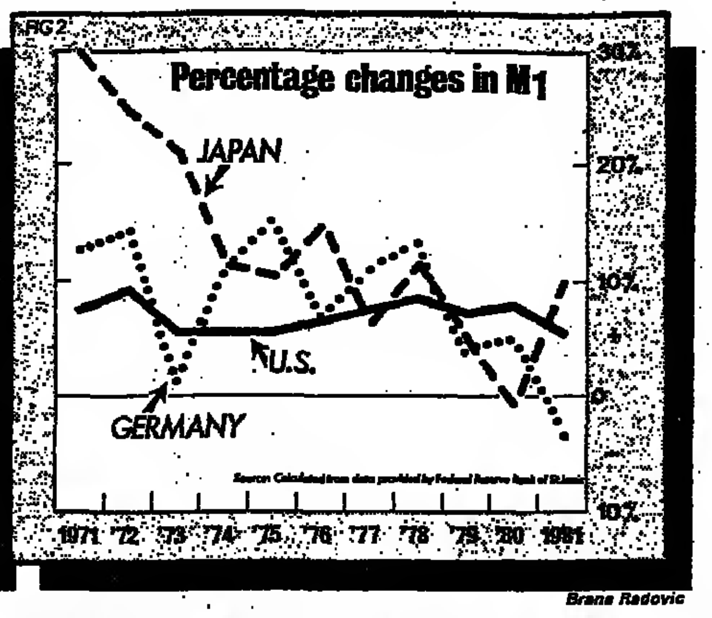
Stabilising the world's money

By Professor Ronald I. McKinnon

"GROUP of Thirty calls for intervention in currency markets: U.S. urged to stabilise dollar," reported the Financial Times on May 7, 1982. Recent large fluctuations in exchange rates seem even more disturbing than when floating began in 1973-74.

The U.S. dollar remains the storm centre. Figure 1 compares the large fluctuations in the dollar/Mark exchange rate to the relatively mild movements in Germany's "effective" exchange rate—whose trade weights are dominated by her European partners. Due to a great surge in the *international demand* for dollars beginning in the summer of 1980, the dollar has appreciated by more than 25 per cent against the Mark and has shown surprising strength against the Japanese yen. This sudden loss of international competitiveness unnecessarily intensified the present recession in the United States.





Brana Radovic

Says the Group of Thirty's recent report: "A high exchange rate can promote de-industrialisation, undermine credit-worthiness, and impart a deflationary bias to national policies. A low exchange rate involves welfare losses and renders the economy more vulnerable to inflationary impulses."

That may be, but the Group's emphasis on increased official intervention to smooth exchange rates is misplaced. In particular, the Group is wrong to call on the Reagan Government to reverse its commitment to non-intervention.

First, the world is *still* on a dollar standard. The dollar remains the principal intervention currency by which other governments stabilise their exchange rates as long as the U.S. stays out of the market.

Secondly, the important objective of smoothing exchange-rate fluctuations among the mark, yen and dollar is best approached indirectly. Germany, Japan and the U.S. should begin by properly aligning their domestic monetary policies to stabilise highly erratic growth of their joint money supply — and then exchange-rate fluctuations will naturally diminish. The two worldwide inflations of the 1970s, and the great deflation of 1981-82, can be systematically explained by sharp prior increases or decreases in the collective money supply of the industrial countries. But these fluctuations in "world" money were themselves due to heavy foreign exchange intervention by central banks other than that of the U.S. Hence, more official exchange intervention, before international monetary harmonisation is assured, could be a serious mistake.

In formulating their monetary policies, the Bundesbank and the Bank of Japan often give some weight to foreign-exchange considerations — albeit on an inadequate and *ad hoc* basis. Since 1945, however, the American Federal Reserve System has generally followed an isolationist monetary policy —whether based on domestic interest rate or domestic money growth targets. While now dangerously obsolete because of the increasing instability of the international demand for dollars, this philosophy of national monetary autonomy still usually receives uncritical support from American economists.

But what more international definition of money is now the relevant indicator?

Figure 2 compares annual growth rates in narrow M1 of the three principal, and increasingly substitutable, reserve currencies: the dollar, yen and mark. Rates of growth in U.S. M1 measured annually or even quarterly are remarkably stable in comparison to growth in Japanese or German M1.

What modest changes there have been cannot possibly explain the great American and worldwide price inflation of 1979-80 followed by sharp deflation in 1981-82. Fortunately, a more satisfactory explanation suggests itself by considering the much greater monetary fluctuations in *other* industrial countries. For brevity, Figure 2 is confined to illustrating the sharp changes in monetary growth rates of Germany and Japan. Japan's annual growth in *M1* varies from more than 30 per cent to 0, and Germany's from 14 per cent to −3 per cent between 1971 and 1981. In this respect, most smaller industrial countries with hard currencies are more similar to Germany and Japan than to tha U.S.

Define the "world" money supply M1(W) to be the *weighted* sum of dollars [M1(U.S.)], D-Marks [M1(G)], and yen [M1(J)].

M1 (W) .45, M1 (U.S.) .35, M1 (G) + .20, M1 (J).

The substantial weight of .35 assigned to Germany reflects its disproportionate importance in the European Monetary System —but the precise weights chosen, and whether or not other hard currencias are included in the definition of M1(W), are not critical.

Over the past 12 years, changes in M1(W) predict quite well fluctuations in world (nominal) GNP and in the world price level, after a lag of one to two years. Statistically, it makes little difference if the "world" is just the totality of our three reserve-currency countries or if it encompasses the OECD economies as a group.

Since 1970, however, M1(W) predicts inflation and deflation in the U.S. itself somewhat *better than* does M1(U.S.)! For example, Figure 2 shows the very sharp slowdown in German and Japanese money growth over 1979-80, with German money growth actually becoming negative in 1981. This unusually sharp decline in world money growth accurately predicted the 1981-82 worldwide deflation in *general*, and that *occurring* in the U.S. in particular. Since 1970, the Federal Reserve System has been following an increasingly inefficient monetary indicator.

In concert with the Bundesbank and the Bank of Japan, tha joint target should be smooth growth (within a narrow range) in an indicator variable like M1(W)—leaving M1(U.S.) somewhat freer to ebb and flow with international demand. If the three competing reserve currencies are substitutable in international and national portfolios, then the demand for M1(W) will be more stable than the individual national demands for M1(U.S.), M1(G) or M1(J). Therefore, in an integrated world economy, M1(W) is a more efficient control variable for ironing out cyclical inflation or deflation within individual countries.

Would it suffice for the Bundesbank and Bank of Japan independently to smooth the hitherto erratic fluctuations in each of their domestic money supplies?

Unfortunately, no. Consider the plight of the Bundesbank and Bank of Japan in June 1982. Both have depressed domestic economies and domestic money growth below desirable long-term trends. But the authorities in both countries know that any substantial domestic monetary expansion will imediately spill into the foreign exchange markets and depreciate their undervalued currencies even more.

The preferred procedure is to calculate the sum of M1 for the U.S., Germany and Japan on a monthly basis and to instruct the three participating central banks to aim for annual growth in this sum, M1(W), of, say 6 per cent. For example, a target range for growth in M1(W) of 5 to 7 per cent for the following year could be jointly announced, at the same time individual official targets for M1(U.S.), M1(J) and M1(G) were discarded. I chose 6 per cent to approximate expected real GNP growth in the triumvirate—taking into account that Japan with its high savings rate may reasonably be expected to grow *faster* than Germany or the U.S.

Technically, smoothing aggregate money growth for the group would be much simpler than achieving national money growth targets for the three countries separately. The reasoning is straightforward: the ebb and flow of international monetary demand among the three currencies implies that if any one of them (say, the U.S.) succeeds in hitting its separately specified target, the other two are unlikely to do so—see Figure 2. And, in an intergrated world, it is the group's collective money supply that determines aggregate demand for goods and services.

Under this new international standard, each of the three central banks' *domestic* money market transactions would remain practically unchanged. That is, the Fed would continue to buy Treasury bills and bonds equivalent to keeping M1(U.S.) growing at a hypothetical 5 per cent rate, the Bank of Japan would buy Japanese Treasury bonds (or rediscount private loans) so that the M1(J) would hypothetically grow at 9 per cent, whereas the Bundesbank chooses a growth rate closer to the U.S. level.

The big departure from present practice would be in the Fed's reactions to foreign exchange interventions in dollars by the other two central banks. If, say, the Bank of Japan is buying dollars—as it did massively in 1978 to prevent the dollar from depreciating even faster—the resulting sales of yen would expand the Japanese monetary base above its trend. Under the new regime, however, the Fed would allow these official Japanese purchases of dollars to contract the American monetary basa below its trend so as to leave their joint money supply unchanged.

How would the new money standard work if imposed in the sharp deflation of June 1982, when growth in the joint money supply is still far below its desirable trend? An international monetary board could quickly calculate that the German and Japanese M1s were below their trends and that both currencies were undervalued. Although the American money supply was close to its trend, the Fed would begin expanding the U.S. money base, nudging the dollar down in the foreign exchange markets and reducing short-term U.S. interest rates. This would allow the other two central banks to expand their monetary bases.

Once the aggregate money supply of the group was growing at its preassigned level, say 6 per cent, the Fed would desist from any further expansion. To stabilise expectations regarding future inflation, this eventual termination of the extraordinary American expansion would be well advertised.

Ronald McKinnon is Professor of International Economics at Stanford University, California, and author of Money in International Exchange—the convertible currency system, Oxford University Press, 1979.

Lombard

Argentina and its generals

By Hugh O'Shaughnessy in Buenos Aires

IF THERE is one thing that would be worse for Argentina than losing the Falklands war it is winning it. Or to put it more positively, winning the war would be a disaster, losing it, as appears more and more likely, could bring the country immense benefits.

For the Galtieri junta to have pulled off its invasion of the Falklands unmolested would have condemned tha long-suffering Argentine people to an even more severe dose of empty militarism than they have been putting up with for these past 50 years and more.

Credit

Had he won General Galtieri would have claimed—indeed for the moment does claim — immense credit for having "recovered" by force of Argentine arms pieces of land which all Argentines have been taught from their earliest days to think of as Argentine. The fact that several thousand troops were sent to take over a virtually undefended territory would not have prevented the military from claiming it as a famous victory. Had this been the case, they would have claimed a larger say than they have at present in the most detailed affairs of state whether these concern the exchange rate, the price of yoghurt or the French literature syllabus in secondary schools.

From 1930 Argentina has been controlled overtly and covertly by military men, conventional or heterodox. Conservative generals have played turn and turn about with General Peron or his surrogates in the Pink House in Buenos Aires.

Rare have been the occasions when decent parliamentary regimes have been able to get ahead with the job of exploiting Argentina's immense resources for the good of the country as a whole. President Arturo Illia, the representative of the middle-of-the-road Radical Party made a brave and largely successful attempt to govern this way in the mid-1960s, but he was thrown out in 1966 by a military regime which was nearly as incompetent as it was ambitious. Buenos Aires has lurched from one set of crises, caused in part by military governments in office, to another set of crises caused in great measure by military scheming behind civilian presidents' backs.

Myth

There can be little doubt that the April invasion of the Falklands was timed to distract opinion away from economic chaos wreaked by successive military and Peronist governments. It was also aimed at seeking a sense of unification of the nation as a whole, committed as it was to the justice of Argentina's cause in the Falklands behind a successful military adventure.

For this to have succeeded would have meant the perpetuation of the myth that the military had some God-given aptitude for politics and should go on enjoying a right of veto on any national development they did not like.

The possibility of defeat of Argentine arms in the Falklands and the post mortem about a bloody and costly failure opens up possibilities for questioning old myths and thinking again whether the generals should have automatic rights to determine every major decision of government.

Rethink

For decades Argentines, never very sure of their own national identity, have clung to the idea that the military is a great unifying force in national life. It has not been. Argentines *may now* have the opportunity to rethink some of the central suppositions of their national consciousness. They may well find that they do not need the mental crutch of militarism any longer. This rethink may be a painful process but it could be a rewarding, liberating and infinitely constructive one.

Letters to the Editor

The Falklands: the Foreign Office and the voters

From Mr D. Gunn

Sir, — Your TV critic (May 26) highlights an attitude expressed increasingly by the media throughout the Falklands war and which, if taken apart, can be *roughly* expressed as "Never mind winning the war: just make sure we have enough material, fast, to fill our columns and TV screens."

Of course the public wants to know what is going on, and that includes the world public as well. We should all remember, however, that one of the aspects of independent media is that their job, as they frequently remind us, is the independent dissemination of news and comment. The Ministry of Defence'a job, in contrast, is to win the war: and the public must understand *that* the dissemination of all news *immediately* plus *comment* on likely future moves by recently retired aenior officers of considerable ability and knowledge will, inevitably, hazard our soldiers, sailors and airmen. I believe it has done so already and indeed one of the Sunday national papers commented as such.

The speed and demands of modern media do call for very careful handling and maybe the Navy, of whom Mr Dunkley is ao critical, needs to study the matter more. As be points out, however, the U.S. lost the Vietnam war on TV and as far as I know we have no intention of losing this one. Truth is, of course, a prerequisite, but I must profoundly disagree with Mr Dunkley's conclusion that "truth on screen in every front room fast is the best policy."

I have sometimes felt in the past month that Argentina must have been virtually able to close down whatever intelligence services it has: all it had to do was get its agents bere to buy the British papers and watch our TV.

David Gunn.
Broom Farm, Privett, Alton, Hampshire.

From Mr P. Tyler

Sir,—Malcolm Rutherford (May 29) rightly draws attention to the remarkable level of abstention in the Beaconsfield By-election, but I *suspect* he did not himself observe the campaign at close range since be fails to identify the cause.

Given the extent to which the Conservative Party and its campaign directors attempted to turn the election into a popularity poll for its Falkland jingoism—including a personal plea from No. 10 to each individual voter—the fact that less than a third of those entitled to vote supported them must be significant. Scarcely a "vote of confidence."

After weeks of meeting thousands of electors in this constineuency my interpretation of this extraordinary result in this extraordinary political situation is that a considerable body of former Conservative voters did not feel they could weaken the Government at a time of international crisis by voting *against* it; on the other hand, they could see no positive reason for voting *for* it. Thus, a similar proportion to the deserters of Croydon, Crosby and Hillhead stayed at home.

As Mr Rutherford suggests, the situation remains fluid. When we revert to "normal" politics —hopefully soon and with the minimum loss of life—the potential support for the Alliance is unchanged.

Paul Tyler.
(Liberal/SDP Alliance candidate)
32, Station Road, Beaconsfield, Bucks.

From Mr P. Wood

Sir, — Reading Malcolm Rutherford's articla (May 29) on the so-called "attack" on the Foreign Office, it is difficult to see how a successful assertion of British interests overseas can co-exist with the bostility to foreigners Mr Rutherford claims to find in the populist ranks of the Tory Party. Mr Rutherford may be drawing our attention to what he privately regards as the absurdity of this sort of Conservatism, or it may be that his analysis is, after all, too sharply drawn.

However that may be, I suspect that the post-war history of the Foreign Office has done little to advance its best causes and that the recent call by Sir Peter Smithers for a re-examination of recruitment and training policy in the FO will find a response across a far-wider spectrum of public opinion than that represented by the Daily Mail and Express in full cry. The elitism many people discern within the Foreign Office is arguably (given both the bistory and the more recent pre-Falklands events) that of superior people *who are not in fact* superior. We deserve a better strain.

Peter Wood.
Newbold Farm, Duntisbourne Abbotts, Cirencester, Glos.

Workable long-term standard

From Mr R. Ancastle

Sir,—In respect of inflation accounting Lex (May 27) says: "The job of the accountancy profession is to . . . come up with the fairest and most workable long-term *standard.*" *But* that is precisely what the profession did nearly 10 years ago with exposure draft 8 (which proposed CPP). The only thing "wrong" with ED 8 was that politicians didn't like it.

Let nobody forget that the Morpeth working party (which produced ED18, ultimately leading to SSAP 16) was not trying to produce a standard based on the best method of inflation accounting. Instead Morpeth was instructed by the Government to base the new standard on the 1975 Sandilands recommendations for CCA. That was hardly a very satisfactory procedure for an "independent" profession.

Lex mentions company chairmen whose motto is "a pound is a pound." But surely this was the Sandilands motto? Even the *supporters* of SSAP 16 recognise that 10-year CCA summaries are nonsense. And SSAP 16 results in CCA balance sheets based on "end-of-year" values while CCA profit and loss accounts are based on "average-for-the-year" values. This is ludicrous unless one assumes—wrongly—that the two are compatible.

Incidentally, is the Mr David Cormie who has apparently been advocating CCA recently as vice-president of the English Institute any relation of the Mr David Cormie who was chairman of the Institute's Technical Committee at the time of the July 1977 meeting which voted against any compulsory system of CCA? At that meeting this other Mr Cormie said: " . . . there is agreement on the need for account to be taken of the effect of inflation. The Council agrees with those who say CCA itself is not a system of accounting for inflation, and I have said so repeatedly."

Roderic Ancastle.
Parkside, Henley-on-Thames, Oxfordshire.

The value of research

From the Director, Association of the British Pharmaceutical Industry.

Sir,—Mr Warburton (May 27) *reveals* a *woeful* ignorance of the economics of the pharmaceutical industry and a regrettable disregard for the interests of his many members employed in the industry.

The £300m a year currently spent on research in the UK does not "go on tinkering with existing drugs" *as he* alleges. It is spent on searching for totally new effective drugs and in establishing their safety. British pharmaceutical research has had an impressive record over many years with major new products and its success has clearly justified the heavy UK investment *by both British* and foreign—owned companies in both research and production facilities.

Imposed generic dispensing either by obliging the doctor to prescribe generic drugs or permitting the pharmicist to substitute a generic product against a script for a branded product would be a major disincentive to research investment, would increase the importation of medicines (mainly from Eastern Europe) and would result in a significant loss of jobs. Furthermore, it would drastically reduce the positive balance of payments for medicines currently in excess of £550m per annum. Any supposed savings to the NHS would be small in comparison with consequent economic losses to the country.

To correct another of the many inaccuracies in Mr Warburton's letter it should be said that the pharmaceutical industry is not seeking to extend the patent term but to restore the effective patent life. As it now usually takes more than 10 years to establish the efficacy and safety of a new medicine prior to the grant of a product licence, less than half of the full patent term remains at the time of introduction to the market. Because of this the pharmaceutical sector working party of NEDO, comprising representatives of management, trades unions and the DHSS, has recently issued a consultative document proposing *inter alia*, a restoration of effective patent term pharmaceuticals.

Does Mr Warburton really want to undermine one of the most productive and innovative high technology industries which this country possesses?

(Dr) R. B. Arnold.
12, Whitehall, SW1.

Hallmark of a moral society

From Mr K. Daly.

Sir,—Your report (May 27) on the Health Service dispute quotes Len Murray as saying "the hallmark of a 'moral society' was when the strong aid for the weak."

I wonder if Mr Murray could tell us if this means able-bodied porters turning sick people away from hospitals?

Ken Daly.
40, Doughty Street, WC1.

UK COMPANY NEWS

Allied-Lyons up to £141m

SECOND-HALF taxable profits of Allied-Lyons rose from £61.9m last time to £75.7m. This meant the total figure for the 52 weeks ended March 6 1982 reached £141.2m, compared with £112.4m for the previous 53 weeks period. At the interim stage, the directors forecast thet results for the year should be good.

Margins on trading improved over the year from 6.1 per cent to 6.5 per cent producing trading profits some 12 per cent higher et £154.8m (£138.3m) on turnover up by 6 per cent from £2.27bn to £2.4bn.

The final dividend is being raised from 3 p to 3.5p net for a total payment of 5.5p per 25p share, against 5p previously. Stated earnings per share were 14.1p (12.2p) before extraordinary items and 12.9p (8.2p) after.

Against the background of a very depressed market the beer division did well, the directors state, with profits np from £55.4m to £57.8m, oo turnover of £843.4m (£790.2m). Ansells continued to make progress towards recovering its market share in the Midlands and elsewhere within the division most areas recorded sales performances better than the market. Continued progres was made in turning round Skol NV. in the Netherlands.

The wines, spirits and soft drinks side performed very well with e record profit of £61.8m (£50.7m) some 21 per cent better than the previous peak. This improvement was contributed by nearly *all* the companies in the division.

The food division increased its profits from £29.3m to £33m nn sales of £802.1m (£768.8m) despite a reduced contribution of £2.2m (£4.8m) from property disposals.

The deficit from parent and investment holding companies was reduced from £23m to £11.4m. These figures were belped by reduced finance charges, a substantial increase in the contribution from the Australian associate, Castlemaine Tooheys, and in the surplus on disposal of investments.

See Lex

BOARD MEETINGS

The following companies have notified dates of board meetings to the Stock Exchange. Such meetings are usually held for the purpose of considering dividends. Official indications are not available as to whether dividends are interims or finals and the subdivisions shown below are based mainly on last year's timetable.

TODAY

Interims: Clyde Blowers, Greenfields Leisure, Hickson and Welch, J. Smart (Contractors).

Finals: Airflow Streamlines, Beecham, Castings, Century Oils, Electronic Rentals, Mountview Estates, Property and Reversionary Investments, Rowlinson Securities, Tanks Consolidated Investments, UBM.

FUTURE DATES

Interims—	
Archimedes Investment	June 8
Burco Dean	June 11
Camford Engineering	June 9
Fenner (J. H.)	June 14
Sidlaw	June 10
Sonic Sound	June 10
Finals—	
Brownlee	June 9
Bulmer (H. P.)	July 14
Elswick-Hopper	June 10
Hill Samuel	June 10
Leigh Interests	June 10
Pegler-Hattersley	June 9

De La Rue plunges £11m but lifts payout

TAXABLE PROFITS of security printer De La Rue slumped from £33m to £21.94m for the year ending March 31 1982 following a poor performance by the Crosfield Electronics division and the banknote printing business.

Sir Arthur Norman, the chairman, describes the results as "considerably worse" than had been expected as late as last December. However, he says trading in the second six months showed a small improvement on the first half even though it was decided to make some very substantial provisions against the possible impact on the banknote printing business of political upheaval and economic difficulties in certain client countries.

He explains that these decisions were taken in order to deal with an unprecedented situation and to create a more certain and sounder basis for the short and medium term operation of an important part of the group's business.

The 1982/83 year is expected to be "substantially better" than the year under review, although the residual effects of a poor performance by Crosfield Electronics and the banknote printing business will persist during the first six months which is likely to cause the results for the two halves of the year to be more unequal than is usual.

In demonstrating their confidence the directors are stepping up the final dividend from 14.4p to 15.48p, which raises the net total by 1.08p to 22.08p per 25p share.

Stated earnings per share were well down at 35.3p (77.4p) before extraordinary debits and on a nil distribution basis were 51.2p (77.4p).

Group sales for the year advanced by 15.4 per cent to £203m (£176m) and exports (including sales to overseas subsidiaries) increased from £110m to £16m. Trading profits dropped from £22.04m to £13.39m.

The pre-tax figure included net interest receivable of £1.94m (£2.75m) and a share of associate profits which fell back from £8.22m to £6.61m.

The tax charge jumped by £4.43m to £7.11m following a write-off of ACT amounting to £6.1m. Minorities accounted for £1.38m (£838,000) leaving the attributable balance at £13.45m (£29.49m) before extraordinary debits of £806,000 (£1.66m).

A divisional breakdown turnover and trading profits of the group's two operating activities shows: security printing, transport and ancillary services £160.6m (£139.9m) and £18m (£21.3m); and Crosfield Electronics £42.9m (£36.4m) and £4.8m loss (£0.5m profit).

Profit margins based on the trading surplus decreased as a percentage of sales from 12.5 per cent to 6.6 per cent.

Director Dr Brian Malpass declined to give details of the £9m problem in the bank-note printing business. "We never talk about our bank-note customers," he said, adding that the company had suffered severe disruption at its factories in the last quarter. No great change seems likely in the first half of the current year, but the hope is that the second half will see "a more normal pattern" in the bank-note business.

The directors comment that their expectations for the year were severely reduced by the poor performance of Crosfield Electronics in the six months to September 30, as reported at the half-year—group pre-tax profits then were £10.51m (£14.46m).

They add that although the division has shown a substantial improvement (it is now back in profit) it has not been on a scale sufficient to restore anything like the level of profitability which was looked for at the beginning of the year.

Almost every other sector of the group performed well in the second half of the year. The security printing businesses in the UK, Colombia and Brazil produced record results; Security Express surmounted the problems caused by the recession in the UK very creditably; De La Rue Systems achieved a major turnround and is now trading profitably; and the contribution from associated companies was satisfactory.

The problems encountered by the Thomas De La Rue currency division and the financial measures taken to deal with them had a severely adverse effect on its profitability for the year under review. There was considerable disruption of production schedules during the last quarter, resulting in heavy costs arising from short-time working and a redundancy programme in the Dublin factory to achieve a necessary reduction in capacity.

The Thomas De La Rue Security Systems print division had a very satisfactory year, due largely to good results from passports and from the London and overseas bond markets.

De La Rue Smurfit had a successful year.

A recovery to former levels of profitability and beyond is confidently expected in the medium term by the Thomas De La Rue general services sector, particularly in areas where new products are being brought into the portfolio.

Thomas De La Rue de Colombia SA recorded a new high level of profitability and Thomas De La Rue SA (Brazil) returned record profits in spite of the very difficult economic conditions in Brazil throughout the year.

Having incurred substantial losses in the previous two years, the De La Rue systems division moved into profit in the past year and faces the future with "much greater confidence."

The Security Express division performed satisfactory. Competition was intensified, with a number of new entrants in the rapid delivery (Courier) field.

The performance of the Crosfield Electronics sector in the first half "bordered upon the disastrous" as a result of leck of sales in sufficient volume to sustain the heavy cost of development and of promotion of the new range of magnascan colour scanners. The problems of transition from one product range to another in the factories also played a significant part. As part of an intensive cost reduction programme some ten per cent of CEL employees were made redundant.

The new magnascan machines introduced in the first half of 1981-82 were very well received in the world market, and the CEL share has recovered a lot of lost ground in the last few months.

The group has reached agreement to set up a plant in Hong Kong to print the bank notes of Hong Kong. The cost of the venture will be borne by the gronp and production will begin in 1984. A similar venture has been agreed in Singepore with prodnction planned for 1984.

At year-end shareholders' funds totalled £135.91m (£124.87m)

See Lex

Coalite advances by £2m

PROFIT before tax at Coalite Group rose from £21.86m to £23.86m in the year to end March 1982, on turnover up from £358.1m to £406.87m. Half-way profit was £7.2m, against £7.35m.

A final dividend of 3.1p net per share (2.8p) raises the total to 4.53p (4.16p). Earnings per 25p share are given as 18.2p, down from 24.01p.

The pre-tax figure was struck after adding interest of £1.81m (£538,000)

Tax took £8.21m, against £2.19m. The directors point out that the latter figure was unusually low because of the release of stock relief under the provisions of the Finance Act 1981.

● **comment**

Most of the 9 per cent improvement in Coalite's pre-tax profits came from a three and a half fold increase in interest receivable. This is partly a reflection of the fact that stocks, at an abnormally high level at the beginning of the year, were reduced by over £12m. At the trading level, the rise in profits was only 3.4 per cent; on the solid fuel and fuel distribution fronts this is one company which has done well out of the severe winter. Coalite's fuel businesses are however largely dependent, not so much on volume, but on the prices of oil and coal, and the firming up of oil prices is an encouraging factor for the current year. As regards growth in demand for fuel oil, Coalite is in the long queue waiting for a recovery in the industrial base. No provision has been made for any losses which might arise out of the Falklands crisis. If the Government decides to invest heavily in the Falklands' economy, however, then Coalite will benefit more directly than anyone. After the results, the share price closed 1p higher at 117p, yielding 5.7 per cent, and on a p/e of about 8½. Not very demanding for an energy related share.

Edinburgh General Ins. omits forecast final

THE IMPROVEMENT seen by Edinburgh General Insurance Services last year at the time of the rights issue, has not been as good as expected. The final dividend of 0.7p per share foreshadowed then has been omitted and the board does not expect to recommend an interim in respect of 1982. The interim for 1981 was 0.3p net.

The company, which carries nn business as a reinsurance and insurance broker and underwriting agent, reports a pre-tax profit for 1981 of £140,649, against a loss of £213,768 previously which was after an exceptional debit of £166,853. Turnover totalled £2.5m (£1.12m).

The directors explain that in view of the continuing weakness of the world economy and very competitive conditions in general insurance markets (specifically in the British motor insurance market which affects Andrew and Booth), and with the need to conserve cash resources in mind, they have conclnded that it would be imprudent to pay a final dividend for 1981.

They continue to address themselves to the problems and say that much has already been achieved this year that will lead to further substantial cost savings and a continued improvement in results.

Tax charge for the year was £10,573 (£27,012 credit) and there was also an extraordinary debit of £37,782 (nil) and minorities of £1,305 (£271). Stated earnings per 10p share were 0.3p (3.3p loss).

The group profit was after crediting post-acquisition profits of Andrew and Booth of £211,026—its full-year pre-tax profits were £476,203.

UNITED PARCELS

United Parcels has acquired from Bowater Corporation the express carrying business of Nationwide Express Parcels.

The consideration is based on the net assets being acquired which comprise fixed assets of £361,033 and net current assets of £39,040. The total of £400,073 has been satisfied as to £400,000 by issue of 227,046 ordinary and balance in cash.

Caravans Intl. £1.79m in red

TAXABLE LOSSES of Caravans International were cut from £2.26m to £1.79m in the first half to February 28, 1982—the comparative figure having been edjusted to exclude a 51 per cent interest in the group's South African subsidiaries sold on January 26, 1981. Sales fell from an adjusted £25.53m to £22.48m.

The interim dividend of this caravan manufacturer is again being missed; last year no distribution was made.

Trading conditions continued to be very difficult for the group's UK and other European subsidiaries, the directors say. Full benefit of a major programme of reorganisation and concentration—which was implemented last autumn—was not felt by tha majority of the subsidiaries concerned.

All subsidiaries concerned are now enjoying the full benefit of the programme, they say. While there are no signs of any real improvement in trading conditions, they nevertheless believe the group will earn a trading profit in second six months, compared with a loss last time of £1.17m.

The reorganisation has released for sale certain of the group's fixed assets. Certain disposals, including the sale and lease-back of the CI Autohomes factory at Parkstone, and the sale of surplus land there for an aggregate price of order of £800,000, are under negotiation. The directors intend to send a circular to shareholders, giving full details of the disposal which is to be effected by end-July.

The pre-tax losses were struck after depreciation of £259,000 (£335,000), associate company losses of £55,000 (£74,000) and interest costs of £959,000 (£984,000). There was no tax charge (£17,000). Following an extraordinary credit of £353,000 (£36,500 debit) for the profit on the sale of property sales, the attributable losses emerged at £1.44m (£2.31m).

● **comment**

There seems to be no end to Caravan's confidence in itself. A year ago, the company predicted it could contain losses in the second half. When it didn't, the group then predicted this year would be "substantially better" than last. In the first six months of this year, it has lost more than it did in the whole of last year. Even so, it is now forecasting a return to profits in the second half. By selling off its only profit-maker, Caravans' South Africa subsidiary, the group has whittled down its borrowing and says capital gearing is now less than 100 per cent. This is hardly an awe-inspiring achievement, especially as attributable losses this year will certainly shrink shareholders' funds further. Caravans has reduced its UK staff in the last 12 months by 30 per cent. On this and other cost cuts are pinned Caravans' hopes for a return to the black in the second half—the market for its products remain dismal. The shares added 1p yesterday and are 2p under par at 18p. Market capitalisation is £1.5m.

HIGHLIGHTS

Lex looks at the figures from Allied Lyons which has shown pre-tax profits up from £112m to £141m, after £17m or so in each year of property profits. The dividend is increased for the first time in nearly two years. De La Rue has produced a one-third fall in profits to £22m after big provisions against bank note losses and trading in electronics. Harrisons and Crosfield, which on Tuesday announced the sale of its majority holding in HME, reports a solid second-half performance. Lex comments on these figures and the outlook for the reshaped group before moving on to consider the CSI's annual report published yesterday and its remarks on agreed bids.

DIVIDENDS ANNOUNCED

	Current payment	Date of payment	Corre-sponding div.	Total for year	Total last year
Allied-Lyons	3.5	Aug 2	3	5.5	5
Barlows	6	July 6	4	6	4
Buffelsfontein	280§	Aug 6	400	540	710
City of Dublin Bank int.	0.88¶	Aug 13	0.88	—	2.89
Clydesdale	47.5§	Aug 20	37.5	75	60
Coalite Group	3.1	Aug 2	2.8	4.53	4.16
James Crean ...int.	2.25	July 14	2	—	7
De La Rue	15.48	July 31	14.4	22.08	21
Alfred Dunhill	6	—	6	11	10
Edinburgh Gen. Ins.	Nil	—	—	0.3	—
Fleming Amer. Inv. int.	3	Aug 2	3	—	9.5
Griqualand Expl. ...int.	7.5§	Aug 20	—	—	15
Harrisons & Crosfield	20.5	—	20.5	28	28
Lake & Elliott ...int.	1	July 22	1	—	2.5
Marley ...int.	1	Oct 1	1	—	2.25
Readicut	0.1	—	—	0.1	0.1
Stilfontein ...int.	100§	Aug 6	130	—	310
Trans-Natal	35§	Aug 20	20	60	38
West Rand Consolidated	Nil§	—	5	—	15

Dividends shown pence per share net except where otherwise stated. * Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues. ‡ USM stock. § South African cents throughout. ¶ Irish.

SPAIN

June 2	Price %	+ or −
Banco Bilbao	352	+3
Banco Central	337	+5
Banco Exterior	306	+6
Banco Hispano	316	+2
Banco Ind. Cat.	114	
Banco Santander	327	+2
Banco Urquijo	189	+2
Banco Vizcaya	367	+4
Banco Zaragoza	249	+2
Dragados	140	+4
Espanola Zinc	70	
Fecsa	65.5	−0.7
Gal. Preciados	33	+1
Hidrola	67.2	−0.8
Iberduero	52	
Petroleos	90	+3
Petroliber	99	
Sogefisa	10	+1
Telefonica	71.5	
Union Elect.	62.7	−0.3

Harrisons & Crosfield PLC

SUMMARY OF RESULTS

for the year ended 31st December 1981 (Subject to Audit)

	1981 £'000	1980 £'000
Group profit before interest and taxation	57,295	59,544
Group profit before taxation	47,235	51,016
Group profit after taxation (before exchange differences and extraordinary items)	26,328	29,521
Earnings for Ordinary shareholders (before exchange differences and extraordinary items)	22,797	25,483
Attributable to Ordinary shareholders (after exchange differences and extraordinary items)	30,147	27,530
Earnings per Ordinary share	37.1p	46.6p
Dividends per Ordinary share	28p	28p

PLANTATIONS
Operating Profit £27.1m (1980 £29.0m)
Owing to lower commodity prices results from Group plantation companies are below those for 1980. Higher crops in the second half of the year made a major contribution to the sizeable improvement in profitability in that period. This trend continues.

CHEMICALS & INDUSTRIAL
Operating Profit £10.7m (1980 £7.4m)
Demand remained poor for the specialised chrome chemicals used in the aerospace industry and while there was an upturn for other chrome chemicals and some Durham Chemical Group products, the UK manufacturing business had a difficult year. Our businesses in America achieved excellent results both in manufacturing and distribution. All the Linatex companies performed well.

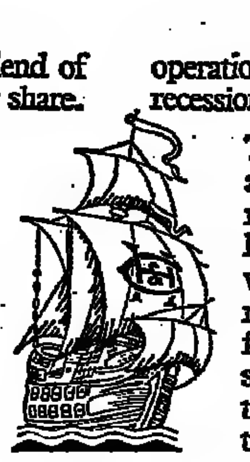
TIMBER AND BUILDING SUPPLIES
Operating Profit £6.8m (1980 £9.3m)
The start of 1981 saw new house construction in the UK at its lowest level for many years and in consequence profits in the early part of the year were well below expectations. Trading improved in the second half of the year until late November, whereafter results suffered from the hard winter.

GENERAL TRADING
Operating Profit £7.0m (1980 £5.4m)
Our two major companies in Malaysia and the company in Brunei, together with our commodity operations, were the top earners. Valuable contributions were also made by our insurance businesses and by our Sri Lanka, Australia and New Zealand companies.

GEOGRAPHICAL DIVISION OF OPERATING PROFIT	1981 %	1980 %
United Kingdom	9	18
Asia	66	70
North America	16	6
Elsewhere (mainly Australasia and Europe)	9	6
	100	100

Ordinary dividend
The Board recommends a final dividend of 20.5p per share, making a total of 28p per share.

Prospects
World trade remains depressed and so far in 1982 there is little evidence of increased economic activity in the industrialised countries. While Group plantation companies are benefiting from higher crops and the Timber and Building Supplies Division is enjoying more buoyant trading, our chemicals and industrial operations continue to be adversely affected by the recessionary conditions.



The proposed sale, subject to shareholders' approval, of our controlling interest in Harrisons Malaysian Estates PLC to Permodalan Nasional Berhad, announced yesterday, will produce an immediate and substantial reduction in interest costs and will provide funds for future growth in the Group's specialised areas of activity. A circular setting out details of the proposals will be sent to all shareholders as soon as possible.

Anglovaal Group

Declaration of Dividends
Mining Companies

Dividends have been declared payable to holders of ordinary shares registered in the books of the undermentioned companies at the close of business on 25 June 1982. The dividends are declared in the currency of the Republic of South Africa. Payment from London (in the case of companies which have London Secretaries) will be made in United Kingdom currency and the date for determining the rate of exchange at which the currency of tha Republic will be converted into United Kingdom currency will be 5 July 1982, or such other date as set out in the conditions subject to which the dividends are paid. These conditions can be inspected at the registered office or office of the London Secretaries of the companies. Warrants in payment of the dividends will be posted on or about 30 July 1982. The transfer books and registers of members of the companies will be closed from 26 June to 2 July 1982, both days inclusive. All companies mentioned are incorporated in the Republic of South Africa.

NAME OF COMPANY	Dividend declared Number	cents per share	Total for financial year cents	Notes
Final dividends — year ending 30 June 1982				
Eastern Transvaal Consolidated Mines Limited	64	50	110	
Hartebeestfontein Gold Mining Company Limited	63	275	650	
Zandpan Gold Mining Company Limited	20	47	110	1

1. The estimated profit for the year is R14 322 000 (1981—R22 583 000). Amount absorbed by dividends is R14 290 000 (1981—R22 525 000).
2. Consolidated Murchison Limited has not declared an interim dividend for the year ending 31 December 1982 because of the poor results occasioned by the weak antimony market.

By order of the boards
ANGLOVAAL LIMITED
Secretaries
per E. G. D. GORDON

2 June 1982

Registered Office:
Anglovaal House
56 Main Street
2001 Johannesburg
London Secretaries:
295 Regent Street
London W1R 8ST

Davies & Newman HOLDINGS P.L.C.

Extract from Chairman's Statement

"I have to report on the year to 31st December last a Group result that is only slightly better than break-even. This is naturally disappointing on the sixtieth anniversary of the Parent Company but taking into consideration all the unhelpful factors affecting trade today and, in particular, the airline and shipping industries, I feel that some comfort should be taken from the fact that the adverse situation was contained. Every effort will continue to be made to maintain profitability and this is the task for Directors and staff alike."

F. E. F. Newman, M.C.
Chairman

Summary of Results	1981 £000	1980 £000
Turnover	154,472	153,815
Operating profit	1,335	3,267
Profit before taxation	342	2,350
Taxation charge (credit)	284	(182)
Profit after taxation	58	2,532
Shareholders' funds	16,352	16,447
Extraordinary item	—	2,082
Dividend per Share	3.0p	9.24p
Earnings per Share	1.0p	44.6p

Copies of the Directors' Report and Accounts for 1981 may be obtained from the Secretary, Davies & Newman Holdings P.L.C., Bilbao House, 36-38 New Broad Street, London, EC2M 1NH.

M. J. H. Nightingale & Co. Limited

27/28 Lovat Lane London EC3R 8EB — Telephone 01-621 1212

1981-82 High	Low	Company	Price	Change	Gross div.(p)	Yield %	P/E Actual	P/E Fully taxed
120	120	Ass. Brit. Ind. Ord.	120	—	6.4	5.3	10.9	13.4
130	100	Ass. Brit. Ind. CULS	128	—	10.0	7.8	—	—
75	62	Airsprung	74	—	6.1	8.2	8.4	14.5
51	33	Armitage & Rhodes	43	—	4.3	10.0	3.6	6.1
211	187	Bardon Hill	211	+ 1	8.7	4.6	10.2	12.6
108	100	CCL 11pc Conv. Pref.	108	—	15.7	14.6	—	—
265	240	Cindico Group	265	—	28.4	10.0	10.7	12.0
104	61	Deborah Services	61	—	6.0	8.8	3.0	5.7
131	97	Frank Horsell	130	+ 1	6.4	4.9	11.7	24.1
83	39	Frederick Parker	75	—	6.4	8.6	3.8	7.3
78	46	George Blair	54	—	—	—	—	—
102	93	Ind. Precision Castings	99	—	7.3	7.4	7.1	10.8
110	100	Isis Conv. Pref.	110	+ 1	15.7	14.3	—	—
113	94	Jackson Group	105	+ 1	7.5	7.1	3.2	8.7
130	108	James Burrough	114	—	8.7	7.6	8.3	10.5
334	234	Robert Jenkins	234	—	31.3	13.4	3.3	8.3
67	51	Scruttons "A"	67	—	5.3	7.9	12.9	12.0
222	159	Torday & Carlisle	159	—	10.7	8.7	6.1	9.5
15½	10	Twinlock Ord.	15½	—	—	—	—	—
80	66	Twinlock 15pc ULS	76xi	+ 1	15.0	18.7	—	—
44	25	Unilock Holdings	25	—	3.0	12.0	4.5	7.6
103	73	Walter Alexander	84	—	8.4	7.6	5.5	8.7
263	212	W. S. Yeates	234	+ 1	14.5	6.2	6.1	12.3

Prices now available on Prestel page 48146.

LADBROKE INDEX
Close 583-588 (−1)

THE TRING HALL USM INDEX
125.3 (+0.3)
Close of business 2/6/82
BASE DATE 10/11/80 100
Tel: 01-638 1591

UK COMPANY NEWS

Second half puts Readicut back in profit

THE BENEFITS of rationalisation carried out and substantial savings on costs enabled Readicut International, manufacturer of rug kits and specialised textile products, to move back into the black for the 12 months to March 31 1981.

At the pre-tax level profits were £230,000, compared with losses last time of £1.96m. The directors point out that although the group returned to profit the outcome was marred by the failure of De Lorean and by the slowness of recovery in the markets.

They add that the outlook for 1982/83 is at best one of slow economic recovery with any revival being heavily weighted towards the first quarter of 1983.

The group had already reduced its losses from £1.62m to £595,000 after the first six months and a continuation of the improving trend was looked for to the end of the year.

The second half was helped by a high level of activity in the fourth quarter and favourable exchange rates.

Full year turnover amounted to £95.71m (£83.99m). The pre-tax surplus was struck after depreciation of £3m (£2.77m), a provision of £582,000 for De Lorean losses and interest charges of £1.9m (£1.85m).

There was a tax credit of £157,000 (£888,000) and after extraordinary debits of £3.04m (£2m), comprising mainly expenses on closures and redundancy payments, there was a loss for the year of £2.66m (£3.07m).

An analysis of the pre-tax profit by division shows: handicrafts £511,000 (£106,000), furnishings and textiles £1.63m (£622,000), yarns and fibres £981,000 loss (£1.65m loss), carpets £970,000 (£89,000 loss), services £594,000 (£656,000). Losses of discontinued businesses totalled £632,000 (£493,000) and corporate interest and expenses accounted for £1.86m (£1.11m).

The group passed its interim dividend but is paying a nominal net final of 0.1p (same).

In the handicrafts division improved customer response combined with favourable exchange rates, resulted in encouraging increases in sales and net profits. Further progress was made in the building-up of the Readicut rug kit subsidiary in North reached the planned higher levels. The loss incurred was slightly less than last year. Prospects for the current year are good.

In furnishings and textiles Firth Furnishing returned to profit, the improvement being brought about by rationalisation of manufacturing facilities, cost reduction exercises and improved control of incoming stocks and prices. Competitiveness in the division will continue to play a major role in maintaining profitability, but several companies have good order books at the present time and it is hoped that 1982-83 will be more successful.

Total sales in yarns and fibres were 8 per cent up on last year with the loss, although still substantial, down by 40 per cent due to higher earnings by Plasticisers' associate engineering company.

In the carpets sector Firth Carpets increased its sales and earned a "very satisfactory" profit. Sales of Bloomsburg (acquired in July) were on plan. Looking ahead "there will be no easing of the difficulties" experienced during 1981-82.

The directors say their determination remains to improve the cost structure through further re-shaping of each business entity within the group. Although many difficulties lie ahead they say the group is much better placed than a year ago to gain momentum when trading conditions improve.

● comment

Readicut has hauled itself into the black. The figures could have looked better had not £½m or so of currency gains been wiped out by losses against De Lorean. Half the £582,000 is against bad debt and half against now worthless specialist carpet sitting in the warehouse. De Lorean employees in Northern Ireland are not the only ones hoping that somebody harbours a dream of resurrecting gull-winged sports cars. Meantime an axe has been taken to the disastrous 1980 purchase of Snappies. Cheap imports cut the legs from beneath the company which has now been sold. Virtually all of the £632,000 "discontinued businesses" loss was Snappies and £1.3m of the £3m exceptional costs related directly to that involvement. The other perennial problem, Plasticisers, lost another £1m last year but the management hopes 1982-83 could be the year when the black pen gets used. Anyway Readicut is confident of some overall partial recovery. Not that the market place is improving but having chipped 35 per cent off its work force in two years along with other overhead trimming Readicut's cost base is that much lower. Profits this year might reach £2½m pre-tax which could provide something better than a nominal dividend though the management is very aware of capital gearing getting up to 50 per cent. Reducing that is high on the priority list. At 20½p (market capitalisation £15.8m) the shares look stuck until the profits recovery shows in a more positive way.

MINING NEWS

De Beers tailors its output to demand

BY KENNETH MARSTON, MINING EDITOR

BURDENED with big stocks of unsold diamonds held via the Central Selling Organisation, South Africa's De Beers is tailoring its mine output more to what the currently depressed market is prepared to buy.

In a nutshell, these are the smaller and cheaper gem stones for which qualities there is a continuing steady demand. The larger, and expensive, higher quality stones, which come into the investment category, remain a poor market as a result of previous over-speculation followed by the world economic downturn and the rise in interest rates.

De Beers is thus suspending operations at its Koffiefontein mine which last year produced some 322,000 carats, mostly of higher grade gem stones, and is stepping up production by 1m carats to 4½m carats a year at the big Finsch mine which produces a large proportion of the lower quality and more saleable gems.

A similar switch is to take place in the Namaqualand division where production is to be transferred from the Annex Kleinzee plant area to the Tweepad area.

The overall effect of these moves should be an increase in diamond sales while the closure of Koffiefontein and expansion of Finsch should bring savings in operating costs.

Now in losses Teck to close big Afton mine

HEAVILY dependent on the price of copper, which continues to decline, Canada's Teck Corporation reports a loss of C$8.5m (£3.8m) for the six months to March 31 compared with a net profit of C$10.6m in the same period of a year ago.

Because of low copper prices —now below the cost of production—Teck is to close its big Afton mine in British Columbia. The planned closure is nominally for three months, but the company says that the duration of the shutdown will depend on metal prices.

West Germany's Metallgesellschaft has a 27 per cent stake in Afton which produced 45m lb of copper, 41,000 oz gold and 246,000 oz silver in the year to September 30 1981.

During the past half-year both Afton and Teck's Highmont copper mine recorded losses as a result of low metal prices and high interest rates. However, the company's zinc, niobium and gold-silver properties (Lamarque, Silverfields and Beaverdell) all operated profitably.

ROUND-UP

Full production has been resumed for the past two weeks at the shafts of the gold-producing Free State Geduld mine which were damaged by earth tremors last month. Announcing this, Anglo American Corporation adds that there will be a slight shortfall in the forecast tonnage of ore milled for the year but overall gold output should not be adversely affected thanks to increased production from the higher grade areas of the mine.

* * *

Vancouver's Ni-Cal Developments can still count on the support of NCC Energy of the UK in its plans to develop a nickel-cobalt deposit on the California-Oregon border. Mr Edward Cook, who recently replaced Mr Graham Ferguson Lacey as chairman of NCC Energy, said his company planned to retain its 24 per cent stake in Ni-Cal, and supported the present management's aims.

Ni-Cal has been operating a pilot plant at the deposit, at Gasquet Mountain, since last summer, and has established that the capital cost of a full-scale mine would be around $300m (£168m).

EUROPEAN OPTIONS EXCHANGE

Series		Aug. Vol.	Aug. Last	Nov. Vol.	Nov. Last	Feb. Vol.	Feb. Last	Stock
GOLD C	$300	10	33	60	44	—	—	$318.70
GOLD C	$325	44	18.50	—	—	—	—	"
GOLD C	$350	43	8	15	20	—	—	"
GOLD C	$375	27	4.50	5	15	—	—	"
GOLD C	$400	100	2	—	—	—	—	"
GOLD C	$425	7	0.90	—	—	—	—	"
GOLD P	$300	117	9	11	11	—	—	"
GOLD P	$325	7	18	39	23.50	60	27.50	"
GOLD P	$350	105	25	32	52	—	—	"
13¼ NL 81 87-91								
C	F.107.50	10	4.90	—	—	—	—	F.112.50
C	F.110	150	5	100	3.20	—	—	"
C	F.112.50	10	1 B	—	—	—	—	"
C	F.115	45	0.30	—	—	10	1.50	"
C	F.117.50	—	—	—	—	10	0.60	"
P	F.110	—	—	100	1.30	—	—	"
P	F.117.50	—	—	—	—	200	5	"
10¾ NL 80 86-95								
C	F.100	10	2	—	—	—	—	F.101
P	F.97.50	—	—	14	1.10	—	—	"
11¼ NL 82 88-92								
C	F.102.50	5	1.30	—	—	—	—	F.103.70
C	F.107.50	8	0.20	—	—	—	—	"
10 NL 82 86-89								
C	F.100	—	—	270	1.10	—	—	F. 98.70
C	F.102.50	—	—	100	0.50	—	—	"
		July		Oct.		Jan.		
ABN C	F.300	10	2	—	—	—	—	F.289
ABN P	F.280	—	—	5	5.10	—	—	"
AKZO C	F.25	165	0.60	37	1.30 B	—	—	F.24.30
AKZO C	F.27.50	—	—	25	0.70 A	28	1.20 A	"
AKZO C	F.30	5	0.20	10	0.40	—	—	"
AKZO P	F.22.50	50	0.50	15	0.60	—	—	"
AKZO P	F.25	114	1.20	150	1.90	—	—	"
AKZO P	F.27.50	126	3.30 A	29	3.50	—	—	"
AKZO P	F.30	8	5 A	—	—	—	—	"
AKZO P	F.32.50	—	—	4	8.60	—	—	"
AMRO C	F.50	—	—	10	2.40	—	—	F.51
HEIN C	F.60	10	2.80	—	—	—	—	F.60.90
HEIN P	F.60	37	1.70	5	3	—	—	"
KLM C	F.80	—	—	28	17	—	—	F.94
KLM C	F.90	120	7.70	65	9.50	—	—	"
KLM C	F.100	84	3.20	33	5	—	—	"
KLM C	F.110	219	1.20	2	3.80 B	—	—	"
KLM C	F.120	86	0.40	12	2	—	—	"
KLM P	F.90	93	2.50	8	4.60	4	7	"
KLM P	F.100	90	7.90	17	8.90	—	—	"
KLM P	F.110	20	17	9	16.50	—	—	"
NEDL C	F.120	10	2.80	—	—	—	—	F.117.20
NEDL C	F.130	—	—	40	3.10	—	—	"
NEDL P	F.110	10	0.80	—	—	—	—	"
NATN C	F.120	—	—	—	—	5	1.70	F.112
NATN P	F.110	—	—	12	1.90	—	—	"
PHIL C	F.22.50	15	1.60	25	2.20	5	5 A	F23.70
PHIL C	F.25	582	0.30	224	1	55	1.40	"
PHIL P	F.22.50	—	—	—	—	10	0.80	"
PHIL P	F.25	12	1.40	54	1.60	—	—	"
RD C	F.80	—	—	26	12.50	—	—	F91.20
RD C	F. 90	139	3.30	68	6.20	12	6.30	"
RD C	F.100	26	0.40	5	1.50	7	2.80	"
RD P	F.90	34	1.80	16	5.70	—	—	"
RD P	F.100	5	9.50	—	—	5	10.90	"
UNIL C	F.140	14	8.50	—	—	—	—	F147.50
UNIL C	F.150	10	2.30	—	—	—	—	"
		Aug.		Nov.		Feb.		
VW C	DM150	10	5	—	—	—	—	DM162

TOTAL VOLUME IN CONTRACTS: 4741

A=Asked B=Bid C=Call P=Put

Dunhill leaps to £5.22m

WITH IMPROVED Far East trading, favourable exchange rates and management action taken in the first half, second-half taxable profits of Dunhill Holdings leapt from £1.53m to £3.14m, bringing the total for the year to March 31 1982 to £5.22m, compared with £2.84m. The year's turnover advanced from £61.25m to £72.88m.

The final dividend of this smokers' requisites and fashion products group, which is a subsidiary of Rothmans International, is being maintained at 6p net per 10p share, making a higher total of 11p (10p). Earnings per share are stated lower at 32.4p (42p before extraordinary items and 56.1p after).

The directors say that further actions were taken during the second half to rationalise the group's operations, especially in the UK.

There was a tax charge of £2.44m (£377,000 credit) and minority debits came to £41,000 (£330,000 credits). Last time there was also an extraordinary credit of £1.19m.

Lombard North Central rises £5m at midterm

PRE-TAX PROFITS of Lombard North Central, part of the National Westminster Bank group, rose by £4.9m to £22.7m for the six months to March 31 1982. Including a tax credit of £30m, against a £3m charge last time, net figures showed a substantial advance from £14.8m to £52.7m.

Group turnover, representing the amounts financed under all forms of financial agreements entered into during the six months and excluding amounts attributable to banking, amounted to £577.1m (£412m).

Profits attributable to ordinary holders climbed from £14.6m to £51.5m, after minorities and preference dividends. Stated earnings per share moved up from 23.6p to 83.2p.

In the six months period there was a substantial increase (39 per cent) in the volume of new business written in the UK compared with the same period a year ago. Most of this increase was attributable to the corporate finance department, which is responsible for "big ticket" leasing, but there was also an increase of 15 per cent in the total number of new transactions undertaken.

Although money costs were marginally below the average level for the corresponding six months of 1980-81, they were materially higher than in the previous six months. Defaults have continued to rise and this is reflected in an increase in provisions against possible losses.

Profit contribution from overseas subsidiaries improved to £4.7m, mainly from Australia, and included a £1.9m surplus arising on the disposal of a half-share in a shopping centre in Western Australia by Rockingham Park Pty. Profits of the New Zealand subsidiaries were slightly down on the same period last year.

Lombard Tricity Finance, which changed its name from Tricity Finance on January 1 1982, suffered from high interest rates and increased arrears, resulting in a reduction in profit to £0.6m for the half year.

The company says it is not possible to make any sensible prediction of the likely outcome for the full year.

British Sugar may appeal

British Sugar is still examining the possibility of basing its defence against any renewal of last year's bitterly opposed £200m bid from the commodity trading group, S. & W. Berisford, on European ramparts.

Not content with the firm rebuttal last week by the European Commission in response to British Sugar's attempt to force Berisford to divest its 40.02 per cent stake in the sugar beet producer, the group is understood to be considering an appeal to the European Court of Justice in Luxembourg.

Speaking at the National Sugar Beet Spring Demonstration in Shropshire yesterday, the chief executive of British Sugar, Mr John Beckett, said that the board may appeal to the European Court after the Commission ruled, in a provisional judgment, that there were insufficient grounds for considering that Berisford had abused a dominant market position in the EEC.

British Sugar will require a swift, and favourable, response from the European lawyers since Berisford will be free under the terms of the City Code to re-open its bid from the beginning of next month.

LONDON TRADED OPTIONS

June 2. Total Contracts 1013 Calls 735 Puts 278

Option	Ex'rcise price	July Closing offer	July Vol.	Oct. Closing offer	Oct. Vol.	Jan. Closing offer	Jan. Vol.	Equity close
BP (c)	300	28	5	38	—	46	—	315p
BP (c)	330	8	4	18	88	50	—	"
BP (p)	330	22	2	30	—	38	—	"
CU (c)	120	18	—	23	—	25	4	133p
CU (c)	130	12	—	17	2	22	2	"
Cons. Gld (c)	360	15	—	22	2	40	—	354p
Cons. Gld (c)	390	5	—	17	88	27	—	"
Cons. Gld (c)	500	1½	—	3	2	—	—	"
Cons. Gld (p)	350	20	—	32	51	40	—	"
Cons. Gld. (p)	380	50	8	60	2	67	—	"
Ctlds. (c)	80	8	5	14	—	18	—	85p
Ctlds. (c)	90	3	39	8½	11	13	—	"
Ctlds. (c)	100	2	—	4½	8	8	—	"
GEC (c)	800	162	1	183	—	207	—	944p
GEC (c)	850	107	2	138	—	155	—	"
GEC (c)	900	68	7	85	2	118	—	"
GEC (p)	950	29	28	47	5	77	—	"
GEC (p)	800	2	25	4	—	2	—	"
GEC (p)	900	18	50	20	—	37	—	"
GEC (p)	950	25	5	34	—	42	—	"
Gr'd Met. (c)	214	12	—	17	20	22	—	218p
Gr'd Met. (c)	220	8	48	14	6	17	16	"
Gr'd Met. (p)	220	12	—	17	—	19	22	"
ICI (c)	280	54	1	—	—	—	—	328p
ICI (c)	300	36	—	44	—	52	1	"
ICI (c)	360	3	10	7	—	—	—	"
ICI (p)	330	14	6	19	—	22	—	"
Mks & Sp. (c)	160	9½	—	14	—	17	1	166p
Mks & Sp. (c)	180	2	—	8	25	2	25	"
Shell (c)	390	46	5	58	—	66	—	424p
Shell (c)	420	25	1	38	9	46	—	"
Shell (c)	460	10	—	12	1	30	—	"
Shell (p)	390	5	—	11	10	18	—	"
Shell (p)	420	12	4	22	—	26	—	"
		August		November		February		
Barclays (c)	460	25	37	40	—	58	—	463p
Barclays (c)	500	6	22	17	—	32	—	"
Barclays (p)	420	4	—	8	8	15	—	"
Barclays (p)	460	14	10	22	—	27	—	"
Imperial (c)	90	11	99	16½	—	18	—	97p
Imperial (c)	100	6	102	9	—	11½	—	"
Lasmo (c)	360	18½	3	34	1	47	—	337p
Lasmo (c)	390	8	10	—	—	—	—	"
Lonrho (p)	70	3½	2	6	—	7	—	70p
Lonrho (p)	80	12	5	13	—	14	—	"
P & O (c)	130	21	2	26	3	—	—	147p
P & O (c)	140	15	1	20	—	23	—	"
Racal (c)	420	30	5	53	—	66	—	433p
Racal (p)	420	13	5	20	—	52	—	"
RTZ (c)	460	9	32	12½	—	32	2	427p
RTZ (p)	460	60	2	57	—	50	—	"
Vaal Rfs (c)	45	4	10	5	—	7	—	$45
Vaal Rfs. (c)	50	1¾	25	2½	—	3½	2	"
Vaal Rfs. (p)	35	½	6	1¼	—	—	—	"
Vaal Rfs (p)	35	½	10	2	5	—	—	"
Vaal Rfs. (c)	40	1¾	2	4½	—	—	—	"
Vaal Rfs. (p)	45	5¾	43	7½	—	2	—	"
Vaal Rfs. (p)	50	7½	25	10½	—	12	—	"

C=Call P=Put

BIDS AND DEALS

Esperanza disposes of its Transmarcom stake

Esperanza Overseas Holdings (EoH) plans to sell its 85.9 per cent holding in its Belgian freight forwarding agents Transmarcom to its managing director for about £554,000.

TRM's activities have started to conflict with those of other parts of the Esperanza International Services (EIS) group, EIS said in a letter to shareholders. It therefore proposes selling TRM to Worldwide Gulf Enterprises, a company controlled by Mr Harry Wolfs, TRM's managing director.

Mr Wolfs already owns 10 per cent of TRM, while the remaining 4.1 per cent is held by someone unconnected with this transaction, EIS said.

A further reason for the sale, for which EIS is now seeking its shareholders' approval, are depressed trading conditions in Belgium and the weakness of the Belgian franc. TRM is currently only managing to break even, according to EIS.

Profits from TRM attributable to the 85.9 per cent holding of EIS amounted to £144,000 in the year to March 31, 1981 on gross revenues of £3.14m.

Worldwide will pay BFr 44m cash with BFr 10m due on completion and the rest in three approximately equal annual instalments, with interest on the deferred payments of 15 per cent.

When the sale has been completed EOH will acquire from TRM the 49 per cent of Gellatly Shipping, a shipping agent, which it does not already own, for BFr 4m (£50,000).

Braid sees Lookers as threat to franchises

THE bid from Lookers, the motor vehicle distributor, for Braid Group threatens two important Ford franchises, Braid claimed yesterday in its reply to the offer. Ford business accounts for about 23 per cent of Braid turnover.

In view of the serious consequences the loss of the Ford main dealership franchises would have on the future of Braid, the directors and their financial advisers, Samuel Montagu and Co., believe Lookers should explain how, in the circumstances, such a merger makes commercial sense, Braid said.

The Braid board repeated its initial rejection of the offer and advised shareholders to take no action.

Ford has terminated Braid's franchise agreement for its main dealership in Burton-on-Trent and advised it will not now confirm the proposed franchise for Macclesfield, both pending the outcome of the bid, Braid said.

Braid currently has temporary franchise agreements for both dealerships which expire on August 12 and June 30 respectively.

Braid pointed out that Lookers had made its offer dependent on no action being taken by any supplier of Braid which would materially adversely affect either company.

Neil & Spencer only 37% subscribed

The recent £0.5m rights issue by Neil and Spencer, the troubled laundry and dry cleaning equipment manufacturer, has only attracted acceptances in respect of 1.88m ordinary shares, or approximately 37 per cent.

Last month, the company asked shareholders to disregard two profit forecasts made when the rights issue was announced in April. Subunderwriters were released from their commitments at that time.

The shares not taken up were placed in the market at a 7.64thsp premium over the rights price. Baring Brothers, which underwrote the issue, now holds 7.8 per cent of the issued share capital.

UK COMPANY NEWS

Harrisons & Crosfield slips to £47.24m

INCREASED second-half taxable profits at Harrisons and Crosfield of £27.22m, compared with £24.55m, failed to make up for a fall in the first six months and the group finished 1981 down at £47.24m compared with £51.02m. The year's turnover rose from £720m to £814m.

However, with earnings per share stated lower at 37.1p (46.6p) per £1 share, the final dividend is being maintained at 20.5p net, making a same-again total of 28p.

The directors say world trade remains depressed and so far in 1982 there is little evidence of increased economic activity in the industrialised countries. While the group's plantation companies are benefiting from higher crops and the timber and building supplies division is enjoying more buoyant trading, its chemicals and industrial operations continue to be adversely affected by the recessionary conditions.

The proposed sale, subject to shareholders' approval, of the group's controlling interest in Harrisons Malaysian Estates to Permodalan Nasional Berhad, will produce an immediate and substantial reduction in interest costs and will provide funds for future growth in the group's specialised areas of activity they say. A circular setting out details of the proposals will be sent to all shareholders as soon as possible.

A breakdown of the year's operating profits of £51.58m (£51.12m) showed: plantations £27.08m (£29.03m); chemicals and industrial £10.68m (£7.41m); timber and building supplies £6.81m (£9.3m); and general trading £7.02m (£5.38m). Also a geographical division of these profits by percentage showed: UK 9 (18); Asia 66 (70); North America 16 (6); and elsewhere —mainly Australasia and Europe—9 (6).

During the year lower commodity prices pushed the plantation companies results below those for 1980. Higher crops in the second half increased this profitability and this trend continues, the directors say.

In the chemicals and industrial activities demand remained poor for the specialised chrome chemicals used in the aerospace industry. While there was an upturn for other chrome chemicals and some Durham Chemical Group products, the UK manufacturing business had a difficult year. The group's businesses in America achieved excellent results both in manufacturing and distribution, they say, and all the Linatex companies performed well.

At the start of 1981 new house construction in the UK was at its lowest level for many years and profits of the timber and building supplies activities in the early part of the year were well below the group's expectations. Trading improved in the second half until late November, whereafter results suffered from the hard winter.

Of the group's general trading divisions two major companies in Malaysia and the company in Brunei, together with its commodity operations, were the top earners. Valuable contributions were also made by its insurance businesses and by its Sri Lanka, Australia and New Zealand companies, the directors say.

Pre-tax profits included a share from associates of £4.44m (£7.6m) and investment income of £1.27m (£825,000), and were struck after interest payable of £10.06m (£8.23m).

Tax took £20.91m (£21.5m) and after minority interests of £3.41m (£3.92m) preference dividends of £120,000 (same), and a credit of £7.35m (£2.8m debit) for exchange differences on net current assets, the atributable profits emerged at £30.15m (£27.53m). Dividends absorbed £17.44m (£16.36m) leaving retained profits of £12.71m (£11.17m).

At the year end shareholders funds stood at £266.28m (£210.92m) and loans amounted to £49.99m (£22.24m). Fixed assets were valued at £217.07m (£125.25m) and net current assets came to £103.68m (£106.28m).

See Lex

Empire Stores loss predicted

A "MOST UNSATISFACTORY" outcome for the first half of the current year was predicted by Mr John Gratwick, chairman, at the annual meeting of Empire Stores (Bradford).

He said: "In my annual statement which was prepared six weeks ago, I referred to a slight upturn in sales over the preceding few weeks. Over the past month, however, we have reverted to the pattern which prevailed throughout last year when sales values showed no improvement over the previous year.

"This means that volumes are still running a little below last year's level and it is unlikely that we shall see any significant upturn during the remainder of the first half-year.

"As we are very dependent on achieving higher sales volumes to cover the inflationary effect on operating costs, it is inevitable that the outcome for the first half-year will be most unsatisfactory and that we shall be reporting a loss at that stage.

"However, we anticipate that the second half-year, which always benefits from the seasonal trading pattern, will show a more satisfactory position and that for the full year we shall be reporting an overall profit, albeit below the level attained last year."

Referring to the bid from Great Universal Stores, the chairman said the board regret the decision of the Secretary of State for Trade to refer the offer to tha Monopolies Commission as it extended tha period of uncertainty and would involve considerable time and effort by senior management.

Despite the belief of the boards of both companies that the proposed merger would be in the public interest, the commission might decide otherwise.

One of the major benefits that would have arisen from the merger was access to GUS credit control systems, Mr Gratwick said.

This would have yielded a significant improvement in the control of bad debts which during the recession have had such a detrimental effect on the profitability of the business.

In view of the uncertainty as to the outcome of the Monopolies Commission investigation, the board was having to assuma that the company might have to solve this serious problem without outside assistance. In tha short term any action taken to this end could affect the growth in agency strength; but it would provide a sounder base upon which to build in future years.

The annual meeting of London and Continental Advertising Holdings was told by the chairman that the level of business in the first four months of the current financial year was well ahead of that for the same period last year. The value of the company's forward sales contracts now exceeded £1.5m.

ASSOCIATE DEAL

Charlton Seal Dimmock and Co. as associates of Braid Group, have bought on behalf of the president of the company, who is not a director, 30,000 ordinary shares at 51p.

£2.1m first-half shortfall at Marley

INCREASED INTEREST costs and a reduction in associates earnings have contributed to a £2.1m shortfall in first-half pre-tax profits of Marley, the maker of products for the building trade.

For the half year to April 30 1982, profits before tax fell from £3.26m to £1.16m, after interest payments of £7.63m (£6.05m) and a share of associates profits of £15,000 (£352,000).

At the trading level, profits were slightly ahead at £8.77m, compared with £8.46m, of which £4.09m (£4.43m) related to overseas operations. Group sales for the period rose from £166.82m to £184.73m.

With tax taking £2.59m, against £3.19m, the group mada a net loss of £1.44m, compared with a modest profit of £77,000 last time. Minority interests accounted for £84,000 (£263,000) and stated loss per 25p share increased from 0.1p to 0.8p.

The net interim dividend however is unchanged at 1p per share —last year, the total payment was 2.25p on taxable profit of £15.1m.

The directors say positive steps are being taken to reduce the amount of capital employed throughout the business, both in the UK and overseas.

The reduction in associates' profits reflected a severe downturn in profitability of the French concrete roof tile business and an exchange loss of around £0.5m in the South American companies.

In the period under review, the severe winter throughout the Northern Hemisphere inevitably affected most of the group's trading activities and substantial losses were incurred during December and January.

An improvement since then has been encouraging, but there is as yet no hard evidence of a material recovery in the markets in which the group operates. This is particularly so in North America where Ingrid, maker of plastic consumer products, despite successfully overcoming its management problems, again incurred a greater loss than expected, as did tha Canadian subsidiary.

Marley intends to change its year end from October 31 to December 31, since this is now seen to be a date more appropriate to the needs of the business. The change will take effect this year and the 14 months' profit figures will probably be announced in early March, 1983. These results will be accompanied by an unaudited trading statement for the 12 months to October 31, 1982.

In current cost terms, there was a first-half pre-tax deficit of £1.9m (£95,000).

● comment

The outlook for Marley's profitability was labelled "very exciting indeed" by the chairman only four months ago. In the event, interest payments and rough winter weather dissipated that excitement. Income gearing has climbed to 87 per cent from 71 per cent last year, as borrowings have climbed to more than £100m. The group is now pledged to "significantly" reducing this mountain of debt. Sala and leasebacks are sure to be part of this programme, but any factory, shop and investment which is not providing an adequate return on capital is now under the threat of the knife. Marley's move into America was badly timed, what with lofty interest rates and record high snows last winter. But the six months period just reported includes all the bad effects of winter and there is good reason to expect another strong improvement in tha second half. In the UK, trading profits improved, with strong gains in flooring, vehicle leasing and the elimination of losses in transport activities. DIY group is responsible for half of the interim increase in sales and, despite an interim loss, it is expected to come good in the full year. The uncovered dividend reflects Marley's confidence in a good second half. The shares lost 1p yesterday and at 43p the yield is 7.7 per cent.

Lake and Elliot plunges to £445,000 loss

IN THE first half to March 31 1982 steel castings manufacturer Lake and Elliot slumped to taxabla losses of £445,000 compared with profits of £306,000 for the previous first half: the six months to January 31 1981. Sales slipped from £13.05m to £12m.

However, the interim dividend is being maintained at 1p net per 25p share. For the last accounting year, the 14 months to September 30 1981 the group made a total payment of 2.5p from pre-tax profits of £917,000.

The directors say that although market conditions remain extremely difficult throughout the group, the current level of orders on hand is encouraging and provided this level of intake continues, the group should be in profit by the year end, albeit at a much reduced level to that achieved last time.

In the steel foundry industry, over capacity continues and margins are under severe pressure. The valve division has had a difficult first half but the order position is now improving, they say.

Exports increased, but in tha home markets problems were experienced. This applied to all subsidiaries with the exception of the fastenings company, where improved demand and profitability enabled it to expand facilities.

The U.S. subsidiary Hindle-Hamer Inc, acquired last year, performed well and made a welcome and encouraging contribution, the directors add.

The pre-tax losses were struck after reduced interest costs of £211,000 (£230,000), and there was again no tax charge.

● comment

At Lake and Elliot's annual meeting in February, "a step forward during the current year" was anticipated. In the light of these figures, which the company calls "very disappointing," it looks like a case of one step forward and two steps back. Tha unforeseen factor was simply that a recovery in the industrial base has not materialised. The steel foundries experienced a very thin order book, and the outlook is hardly encouraging industry-wide. The 1981 U.S. acquisition Hindle-Hamer is washing its face of finance charges, and the company is negotiating a further acquisition in the hunt for profit margins, which have been falling even as costs are being cut. Laka and Elliot's minimum target of a 10 per cent return on sales, which has not been achieved since 1976, is still just a target. The company's joint venture in Singapore, which started in October, seems to hava run into problems, albeit not costly, and Lake is now looking for a new partner. At a cost of £100,000 the interim has been maintained, but even with full years profits predicted, the final is not certain to be maintained. At 42p, down 8p, the yield over the last 12 months is about 7¼ per cent.

City of Dublin Bank little changed midway

1982, pre-tax profit at City of Dublin Bank was I£5,000 lower at I£426,000. Tax took more at I£179,000, against I£174,000.

The interim dividend is maintained at 0.875p net per share. Last year's total of 2.8875p was paid on pre-tax profit of I£1.04m. First half earnings per 25p share were stated as 2.02p, down from 2.51p.

Mr Thomas Kenny, chairman, says profits have been struck after providing for an estimate of the second bank levy in addition to normal taxes.

Cash balances plus government stock, together exceeding I£25m, are well above the company'e requirements. Deposits now exceed I£70m, against I£58m at September 30, 1981, a good indicator of the company's growth, he said.

Minority interests took I£39,000 (nil). A net profit of I£206,000 was made on the sale of 40 per cent of the company's wholly-owned subsidiary, Irish Bank of Commerce, to Credit Commercial da France.

First results from Telfos

THE FIRST results of Telfos Holdings show that for the 11-day period from December 21 1981 to December 31 1981, the metals group, made profits of £2,000, on sales of £105,000. There is no tax.

Telfos became the holding company of the Charles Clifford Industries group on December 21 last year, following a scheme of arrangement. Last November it was announced that the loss-making Charles Clifford was to undergo a major reorganisation of its corporate structure, involving a rights issue to raise £1.7m net.

A new holding company, Ferrous Protection, was formed and this later changed its name to Telfos Holdings. Telfos being a brand name of one of Clifford's products.

Results of the old Charles Clifford group for the period from January 1 1981 to December 20 1981 reveal a pre-tax loss of £248,000, on sales of £7.91m. At the trading level, the old group made a profit of £146,000, but this was wiped out by interest of £396,000. Net loss, after all charges, was £440,000.

Trading profits of Telfos for the 11-day period were £6,000. The share of associate'e profits was £1,000, but interest took £5,000.

Since the end of the year, loss-making activities have been curtailed and certain peripheral businesses sold. Following the rights issue in January and the disposals, around £2.1m has been received which has substantially reduced group overdraft.

The directors say that trading conditions are still depressed. However, management accounts for the first four months of 1982 show the group to have traded at a net profit after all charges.

They state that in its slimmed down state, the new group is set to take advantage of the much hoped for upturn in business. They believe the company will prosper in future years.

RESULTS AND ACCOUNTS IN BRIEF

ROBERTS ADLARD (builders' merchant)—Results for 1981 already known. Shareholders' funds £3.63m (£3.3m), net current assets £2.72m (£2.38m), fixed assets £904,503 (£911,786), increase in working capital £383,873 (£245,173). Chairman states that turnover for the first four months of 1982 shows an increase of 6 per cent over last year. Meeting, 116 Pall Mall, SW, June 18, at noon.

BRIXTON ESTATE (property development and investment company)—Results for 1981 reported May 6. Shareholders' funds £120.4m (£110.16m). Investment properties £197.06m (£171.08m), other fixed assets £334,000 (£252,000). Current assets £8.28m (£7.48m), current liabilities £11.01m (£8.4m). Decrease in working capital £817,000 (£3.2m increase). Meeting, 22-24 Ely Place, EC, June 22, noon.

BSG INTERNATIONAL (industrial holding company)—Results for 1981 and prospects already known. Group fixed assets £28.01m (£31.11m); net current assets £2.9m (£2.96m); bank loans and overdrafts £20.85m (£27.44m). Shareholders' funds £22.83m (£25.07m). Decrease in working capital £4.58m (£9.27m). Meeting, Birmingham, June 28.

COATS PATONS (textile manufacturer)—Results for 1981 and prospects reported May 13. Shareholders' funds £324m (£298.7m); fixed assets £184m (£171.3m); net current assets £249.1m (£239m). Decrease in net liquid funds £27.2m (increase £18m). Meeting: Glasgow, June 18, noon.

COSTAIN GROUP (construction and development)—Results for 1981 and prospects already known. Group shareholders' funds £177.89m (£124.72m). Long-term loans £21.22m (£21.67m), short-term loans £20.53m (£8.96m). Long-term assets £178.97m (£117.96m). Net current assets £74.96m (£65.45m). Net inflow of funds £10.44m (£31.26m outflow). Meeting, Plaisterers Hall, EC, June 22, noon.

ERSKINE HOUSE INVESTMENTS (security services and bureau de change)—Results for year to March 31 1982, reported June 1. Shareholders' funds £798,644 (£622,236). Current assets £895,279 (£1.04m). Current liabilities and provisions £1.11m (£2.06m), including bank overdrafts and loans (secured) £528,068 (£890,160). Increase in net liquid funds £801,050 (£1.24m decrease). Chairman says current trading augurs well for this year. Meeting: Winchester House, EC, June 24, noon.

JOHN FOLKES HEFO (engineering)—Results for 1981 already known. Group shareholders' funds £19.08m (£21.1m). Loans £305,000 (£328,000). Fixed assets £10.34m (£11.35m). Net current assets £8.49m (£9.83m). Net bank borrowings £5.11m (£3.01m). Working capital decreased £1.58m (£0.89m). Chairman says results so far for 1982 are better than in corresponding months of 1981. Meeting, Edgbaston, Birmingham, June 16, at noon.

FOSECO MINSEP (metallurgy, building products and chemicals)—Results for 1981 reported May 5. Shareholders' funds £121.31m (£88.65m). Fixed assets £73.33m (£80.81m). Net current assets £70.36m (£54.64m). Decrease in total net borrowings £7.16m (£3.41m increase). Group sales for three months to March 31 1982 were ahead of those for corresponding quarter of 1981.

GARNAR BOOTH (tanner and leather manufacturer)—Results for year to end-January 1982 reported on May 7. Shareholders' funds £10.99m (£8.38m), fixed assets £7.34m (£3.79m), net current assets £3.97m (£5m), decrease in working capital £662,000 (£641,000). Meeting, Grange House, SE, June 17, at 2.30 pm.

LAKE VIEW INVESTMENT TRUSTS—Results for year to March 31 1982 reported April 28. Shareholders' funds £79.41m (£83.86m). Current assets £4.43m (£1.66m) including cash and deposits £3.85m (£1.47m). Net current assets £2.19m (£543,000 liabilities). Chairman says expansion of Far Eastern part of the portfolio (up from 30 per cent to 41 per cent in the year) may result in lower earnings per share but dividends should remain higher. Meeting, Winchester House, EC, June 22, 10.45am.

MARSHALL'S UNIVERSAL (distributor of motor vehicle accessories and paper board profits)—Results for 1981 reported May 7. Shareholders' funds £10.24m (£11.16m). Fixed assets £9.28m (£11.55m). Net current assets £6.38m (£5.87m). Increase in net liquid funds £14,000 (£3.06m decrease). Meeting, Croydon, June 21, at noon.

NEW THROGMORTON TRUST—Net asset value per £1 of capital loan stock as at June 1 1982, 312.32p.

SILENTNIGHT HOLDINGS (beds, upholstery and furniture)—Results for year to January 30 1982 and prospects reported April 28. Shareholders' funds £16.34m (£14.63m). Fixed assets £16.88m (£12.41m). Net current assets £3.55m (£2.98m). Bank loans £1.97m (£694,000). Accounts show compensation paid to former director of £72,000 (nil). Meeting: Manchester, June 22, noon.

SMITH ST AUBYN (HOLDINGS) (discount broker and banker)—Results for year to April 5 1982 reported on May 6. Shareholders' funds £8.57m (£9.25m), current liabilities £353.76m (£594.25m), current assets £347.9m (£584.6m), fixed assets £15.44m (£19.91m). Meeting, Winchester House, EC, June 16, at noon.

SUNLIGHT SERVICE GROUP (laundry and dry cleaner)—Results for 1981 reported May 1. Shareholders' funds £8.62m (£5.44m). Fixed assets £8.24m (£7.06m). Current assets £8.93m (£6.12m). Total assets £19.77m (£16.86m). Current liabilities £8.67m (£7.99m). Increase in net liquid funds £432,000 (£483,000 decrease). Chairman predicts satisfactory profit increase this year. Meeting: London Westbury, Bond Street, June 18, noon.

Eurobond prices hit by Canada's jumbo issue

BY OUR EUROMARKETS STAFF

EURODOLLAR bond prices were sharply down yesterday as the market reacted to Canada's $750m five-year issue and the overnight weakness of the U.S. bond market.

The two factors helped push prices in the secondary market down by up to ¾ point following a fall of between ¼ and ½ point the previous day.

New issues by Bayer, the West Germany-based chemicals group, and Chugai Pharmaceutical, the Japanese group, added to the weight of new paper in the Eurodollar market.

Bayer came to the market with a $150m five-year bonds bearing an indicated coupon of 10¼ per cent through Deutsche Bank. Each $1,000 bond provides 19 warrants entitling the purchaser to one share at DM 121. The shares are currently trading at DM 120. The issue suggests a yield of 14¼ per cent.

Chugai Pharmaceutical came to the market with a $40m 14-year convertible issue with an indicated coupon of 7¼ per cent and final pricing scheduled for June 11. Lead managers are Nomura International, SG Warburg and Sumitomo Finance International.

In West Germany, Osterreichische Kontrollbank, Austria's export credit bank, is raising DM 75m with a seven-year private placement carrying a coupon of 9 per cent priced at par. Lead manager is West LB. Last week OKB came to the Canadian dollar sector with a C$63m six-year 16¼ coupon note at par.

The German market was weaker by about ½ point in quiet trading, with dealers blaming the fall on the weaker overnight market in New York, the strength of the dollar and the volume of new paper.

In the Swiss market, Xerox is seeking to raise SwFr 100m with a seven-year private placement bearing a coupon of 6¾ per cent priced at 99¾. Lead manager is Credit Suisse.

Fuso Pharmaceutical, another Japanese drugs company, issued a SwFr 25m 5½-year convertible private placement with an indicated coupon of 6¼ per cent. Lead manager is Swiss Bank Corporation. Overall the Swiss market was unchanged.

Gaz Metropolitain, the Canadian utility, has had the coupon on its C$30m 8½-year issue increased by Wood Gundy, the lead manager, from 17 per cent to 17¼ per cent. Wood Gundy said the move reflected the impact of the jumbo Canadian Government issue on the market. Instituto Mobiliare Italiano (IMI) is raising ECU 40m with a seven-year issue carrying a coupon of 14 per cent led by Credit Lyonnais and Kredietbank International.

Chase liquidates Drysdale positions

By Our Frankfurt Staff

Chase Manhattan Bank of New York said it had been liquidating the Treasury debt issues it assumed from Drysdale Government Securities on May 19.

It confirmed that it began liquidating these securities last week, but did not specify which securities were involved.

It is estimated that Drysdale had established about $4bn in short positions and about $2bn in long positions when it defaulted on several hundred million dollars of interest payments.

Since May 19, Chase has been attempting to unravel the complex transactions associated with the Drysdale affair, many of which were concentrated in the market for repurchase agreements.

IOIC boosted by end to Iran hostages crisis

BY PAUL TAYLOR

THE RESOLUTION of the Iran hostages crisis helped the Iran Overseas Investment Corporation (IOIC), the UK-based consortium bank, 50 per cent owned by Iranian banks, to lift its pre-tax profit by 7.5 per cent to £1.27m ($2.3m) in the year to September 1981.

The bank was caught up in the U.S. decision to freeze Iranian assets following the seizure of the U.S. hostages in November 1979, although it is 50 per cent owned by non-Iranian banks including Barclays Bank International and Midland Bank, which each have 6.25 per cent stakes.

It changed its name last year from the Iran Overseas Investment Bank after becoming a licensed deposit taker.

The bank's total deposits in the U.S. were $38m at one point, but had been reduced to a book entry of $13m by the beginning of last year. At the same time, the bank, which was heavily involved in syndicated loans to Iran before the crisis, had reduced its exposure there to just $347,000 by the end of September 1981 from about $42m in 1980. The bank was also heavily involved as agent for a number of other syndicated loans to Iran.

After tax, net profit for the year was £979,582, an increase of £420,450 over the previous year and the retention of net profits boosted shareholders' funds by 8.7 per cent to £12.27m.

The bank's total assets increased from £104.7m to £112m despite a fall in the size of the syndicated loan portfolio from $100m to $77m.

FT INTERNATIONAL BOND SERVICE

The list shows the 200 latest international bond issues for which an adequate secondary market exists. For further details of these or other bonds see the complete list of Eurobond prices which will be published next on Wednesday June 16.

Closing prices on June 2

U.S. DOLLAR STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Aetna Life 15 88/97	150	101⅞	102⅜	−0⅛	−0⅛	14.21
Amax Int. Fin. 16⅛ 92	75	103⅛	103⅝	−0⅛	−1⅛	15.63
Amex O/S Fin. 14½ 89	75	97	97½	−0½	−1⅛	14.89
APS Fin. Co. 16⅝ 89	75	102	102½	−0⅜	−1⅛	15.62
ATT 14⅝ 89	400	102⅛	102⅝	−0⅜	−0⅛	13.86
Baker Int. Fin. 0.0 92	225	26¾	27¼	−0⅜	−0⅜	14.40
BHP Finance 14¼ 89	150	98⅛	98¾	−0⅜	−0½	15.10
Bk. Amer. NT SA 12 87	200	92¾	93¼	−0⅛	−0½	14.05
Bk. Montreal 14½ 87	100	98⅝	98⅞	−0⅛	−0⅛	14.31
Bque. Indo Suez 15 89	100	98⅛	98⅜	−0⅛	−0½	15.39
British Col. Hyd. 14⅞ 86	200	100⅛	100⅝	−0¼	−0¼	14.58
Burroughs Int. 15⅝ 89	50	102⅞	103⅜	−0⅝	−1⅜	14.86
Canadair 15½ 87	150	101	101½	−0⅛	−0⅜	15.08
Canadian Pac. 14⅝ 92	75	97⅝	98⅛	−1⅛	−1½	15.05
Carolina Power 16½ 89	60	103⅛	103⅝	−0½	−1⅜	15.59
CIAC 16 87	100	101¾	102¼	−0⅜	−0⅞	15.32
Citicorp O/S 15 84/92	100	100⅝	100⅞	−0⅜	−0⅛	14.88
Citicorp O/S 15½ 85/97	125	101¼	101¾	−0⅜	−0⅛	14.70
CNA 15⅞ 97	75	100⅛	100⅜	−0⅝	−0⅞	15.75
Con. Illinois 15⅝ 89	100	102	102½	−0½	−0⅝	15.14
Duke Pwr O/S 15½ 89	60	101½	102	−0⅜	−1⅛	15.04
Dupont O/S Cap. 0.0 90	300	35½	36	−0⅜	−0⅞	14.31
ECSC 14⅞ 87	50	98⅞	99⅜	−0½	−0⅜	14.87
EIB 15½ 89	150	100½	101	−0⅜	−0⅞	15.27
Exportfinans 14½ 89	50	97⅝	98⅛	−0⅛	−0⅞	15.00
Gen. Elec. Credit 0.0 92	400	28	28½	−0⅛	−1⅛	13.91
Gen. Elec. Credit 0.0 93	400	24⅞	25⅜	−0⅛	−1	13.77
Getty Oil Int. 14 89	125	98⅛	98⅝	−0⅜	−1⅛	14.34
GMAC O/S Fin. 16 88	150	102	102½	−0½	−0⅞	15.32
GMAC O/S 15⅛ 85/87	100	99	99½	−0⅛	−0⅛	12.53
GMAC O/S Fin. 15 89	125	99	99½	0	+0⅛	15.17
GMAC O/S Fin. 15 87	100	98¾	99¼	−0⅛	−0¼	15.44
Gulf Canada Ltd 14⅜ 92	100	99½	100	−0⅛	−1⅛	14.77
Gulf Oil 14⅛ 94	175	98⅜	98⅞	−0⅜	−1⅛	14.48
Gulf Oil Fin. 0.0 92	300	27⅜	27⅞	−0⅝	−1⅜	14.10
Gulf States O/S 16 90	60	99¾	100¼	−0⅝	−1⅜	15.97
Int-Am. Dv. Bk. 15⅛ 87	55	99⅛	99⅝	−0⅛	−1⅛	15.18
Japan Dev. Bk. 15½ 87	50	102⅞	103⅜	−0⅝	−1	14.51
New Brunswick 16⅛ 88	75	103¾	104¼	−0⅜	−1⅛	15.21
Ontario Hydro 14⅞ 88	150	101	101½	−0⅛	−0⅞	14.43
Pac. Gas & El. 15⅝ 88	80	103	103½	−0⅛	−1	14.88
Pac. Gas & El. 15½ 89	45	102⅝	102⅞	−0⅛	−1⅛	14.83
J. C. Penney Gl. 0.0 94	350	21⅜	22⅜	0	−0⅜	13.86
Phillips Petrol 14 89	200	97	97½	0	−0⅛	14.64
R.J. Rynlds. O/S 0.0 92	400	26¾	27¼	−1	−1⅛	14.43
Saskatchewan 16 89	125	103⅛	103⅞	−0⅜	−0⅛	15.07
Shell Canada 14⅜ 92	125	98⅛	98⅝	−0⅜	−0⅝	14.69
Spain 15⅜ 87	100	99⅜	99⅞	−0⅜	−0⅝	15.82
Statsforetag 15⅝ 87	50	100	100½	−0⅝	−0⅛	15.58
Swed. Exp. Cr. 15⅞ 89	100	98¾	99¼	−0⅝	−1	15.45
Swed. Exp. Cr. 14⅞ 90	100	95⅞	96⅜	−0⅛	−0⅛	15.62
Swed. Exp. Cr. 0.0 94	200	21¼	21¾	+0⅛	−0⅜	13.95
Union Carbide 14⅞ 89	150	100	100½	−0⅜	−0⅛	14.67
Wells Fargo I. F. 15 87	75	100⅝	101⅛	−0⅛	−0⅞	14.64
World Bank 15⅝ 88	250	99⅝	100⅛	−0½	−1⅜	15.16
World Bank 14⅝ 87	500	97	97½	−0½	−1⅛	15.06

Average price changes... On day −0⅜ on week −0⅞

DEUTSCHE MARK STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Asian Dev. Bank 9⅝ 92	150	99⅛	99⅝	−0⅛	0	9.32
Australia 9⅛ 91	300	102⅞	103⅜	−0⅛	−0⅝	8.84
Australia 9⅝ 91	200	102⅞	103⅜	−0⅜	−0⅝	8.81
Canada 8½ 89	200	100½	101	0	0	8.35
Comp. Tel. Esp. 10⅛ 92	100	101½	102	+0⅛	+0½	10.19
Denmark 10 88	100	100⅞	101⅜	−0⅜	−0⅛	9.69
Denmark 10⅛ 92	100	101⅝	102⅛	0	+0⅛	9.78
EDF 9⅞ 92	100	101½	101⅞	0	−0⅛	9.44
EEC 10⅛ 93	100	102⅝	103⅛	−0½	−0½	9.66
EEC 9⅝ 94	290	102⅝	103⅛	+0⅛	+0⅜	9.32
EIB 9⅞ 88	60	101½	102⅛	−0⅛	−0⅛	9.36
Int.-Am. Dev. Bk. 9 92	150	99⅛	99⅝	0	0	9.07
Ireland 10⅛ 89	100	101⅝	102⅛	−0⅜	+0⅛	9.53
Mexico 11 88	100	100⅝	101⅛	−0½	−0⅛	10.75
Nacnl. Financiera 11 90	150	99⅜	99⅞	−0⅛	0	11.05
Nat. West. 9⅞ 92	100	103⅝	104⅛	−0⅜	−0⅛	9.21
OKB 9⅝ 88	150	101⅝	102⅛	−0⅛	−0⅝	9.28
Quebec 10⅛ 92	150	104½	105⅛	+0⅛	0	9.32
Quebec Hydro 10⅛ 91	150	103⅝	104⅛	0	+0⅛	9.57
Renfe 10 92	100	99⅝	100⅛	−0⅜	0	10.02
Tauernautobahn 9⅞ 94	50	102⅝	103⅛	−0⅛	−0⅜	9.45
World Bank 9½ 89	100	101⅞	102⅜	−0⅛	+0⅛	9.03
World Bank 10 91	250	104½	105⅛	−0⅛	+0⅛	9.19

Average price changes... On day −0⅛ on week −0⅛

SWISS FRANC STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Ansett Transport 7½ 92	50	103⅛	103⅜	0	+0½	6.96
Autoliss 7¾ 92	80	99	99¼	+0¼	+0¼	7.88
Australia 6½ 94	100	103½	103¾	0	+0¼	6.06
Cse. Nat. l'Energie 7 92	100	101¼	101½	−0¼	−0½	6.80
CFE-Mexico 8¼ 92	50	99¼	99½	−0½	−0¼	8.34
Co-op. Denmark 8¼ 92	25	104¾	105¼	−0¼	+0¼	7.62
Crown Zellrbch. 6¾ 92	100	102¼	102½	0	0	6.41
Denmark 7¼ 91	100	102¼	102¾	0	+0¼	6.88
EIB 7¼ 92	100	103½	103¾	0	+0¼	6.72
Elec. de France 7 92	100	102¼	102½	+0½	+0½	6.65
ENEL 8 92	44	102	102¾	−0¼	−0¼	7.67
First City Fin. 8¼ 92	25	103¼	103½	−0¼	−0½	7.74
Kommunlane 7¼ 92	35	101	101¼	0	+0¾	7.09
Manitoba 7 92	100	105½	105¾	+0¼	+0¾	6.21
Mitsui OSK 6½ 92	100	100⅞	101¼	−0¼	+0¼	6.38
National Pwr. Co. 8 92	30	103½	103¾	0	+0¼	7.48
Nippon T. and T. 6¾ 92	100	103¾	104	+0½	+0¾	6.08
OKB 7¾ 92	100	104¼	104½	0	+0¾	7.11
Ost. Donaukraft 7 92	100	102½	102¾	+0½	−0½	6.62
Ost. Postspar 7½ 92	100	103¼	103½	+0¼	+0½	7.00
Philip Morris 6¾ 92	100	104	104¼	−0¼	+1¼	6.05
Quebec 7¾ 92	100	105½	105¾	0	+0½	6.57
Sekisui Pre. 5¾ 92 WW	70	104	104½	−0¼	0	5.19
Soc. Lux. de Cnt. 8¼ 92	80	105¾	105⅞	−0¼	0	7.16
Transcanada Pipe 7 94	100	100½	100¾	−0½	0	5.91
Vorarlberg Kraft 6¾ 92	50	103	103¼	+0½	+0½	6.31

Average price changes... On day 0 on week +0⅜

YEN STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Asian Dev. Bk. 8¾ 91	15	99⅝	100⅛	0	−0⅞	8.24
Int.-Amer. Dev. 8⅞ 91	15	103	104	0	+0⅞	8.31
Japan Airlines 7⅞ 87	9	96⅛	97⅛	−0¼	−0⅜	8.66
New Zealand 8⅜ 87	15	99⅛	100⅛	−0⅛	−1	8.40
World Bank 8⅞ 92	20	99½	100⅛	−0⅛	−0⅞	8.39

Average price changes... On day −0⅛ on week −0⅛

OTHER STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Can. Pac. S. 16⅛ 89 C$	50	†99	99½	0	−0½	16.53
Crd. Foncier 17⅛ 89 C$	30	†100	100½	0	−0⅛	17.03
Hudson Bay 17 86 C$	40	†99¾	100¼	0	0	16.97
Nacional Fin. 17⅝ 87 C$	50	†98	99	0	0	18.17
Q. Hyd. 16½ 89 (Mr) C$	50	†99½	100	0	−0⅛	16.51
Q. Hyd. 16½ 89 (My) C$	50	†99	99½	+0⅛	+0⅛	16.68
Simpsons 16⅝ 89 C$	40	†97¼	97¾	0	−0⅛	17.37
U. Bk. Nwy. 9½ 90 EUA	18	*89½	90¼	0	0	11.47
Amro Bank 10 87 Fl	150	99⅛	99⅝	0	−0⅛	10.15
Bk. Mees & H. 10 87 Fl	75	98⅞	99⅜	−0½	−0⅛	10.29
Eurofima 10½ 89 Fl	50	100⅞	101⅜	−0⅜	−0½	10.26
Phil. Lamps 10½ 87 Fl	100	100⅝	101⅛	−0⅛	−0⅞	9.97
Rabobank 12 86 Fl	50	106⅝	106⅞	+0⅛	0	9.96
World Bank 10 87 Fl	150	98½	99	−0⅛	−0⅜	10.33
OKB 14 86 FFr	400	92⅝	93⅛	−0⅝	−0⅛	16.74
Solvay et C 14½ 86 FFr	200	91⅞	92⅞	−0⅛	−0½	17.60
Acena 14 85 £	20	95¾	96¼	0	0	15.37
Beneficial 14⅛ 90 £ (D)	20	88¾	89¼	0	+0⅛	16.64
BNP 13½ 91 £	15	93⅛	94⅛	0	+0⅛	14.81
CECA 13½ 88 £	20	94⅝	95⅝	+0⅛	+0⅛	14.67
Fin. Ex. Cred. 13¾ 86 £	15	94⅝	95¼	+0⅛	+0⅛	15.43
Gen. Elec. Co. 12½ 89 £	50	92⅝	93⅜	+0⅛	+0⅛	14.08
Hiram Walker 14⅛ 86 £	25	97⅝	98⅜	+0⅛	+0⅛	14.88
Privatbanken 14½ 86 £	12	94⅛	95⅛	0	+0⅛	15.91
Quebec 15½ 87 £	35	101⅛	102⅛	0	0	14.81
Reed (Nd) NV 16⅛ 88 £	25	102⅞	103⅞	0	+0½	15.84
Royal Trustco 14 86 £	12	97⅛	98⅛	0	+0½	14.53
SDR France 15½ 92 £	30	99½	100⅛	−0⅛	+0⅛	16.47
Swed. Ex. Cr. 13⅜ 86 £	20	97⅝	98⅛	−0½	+0⅛	14.46
Eurofima 10½ 87 LuxFr	500	95⅞	96⅞	0	−0⅛	11.40
EIB 9⅞ 88 LuxFr	600	92⅞	93⅞	−0¼	−0½	11.41

FLOATING RATE NOTES	Spread	Bid	Offer	C.dte	C.cpn	C.yld
Allied Irish 5¼ 92	0¼	98⅞	99⅛	15/12	15.69	15.95
Bank of Montreal 5¼ 91	0¼	98⅝	98⅞	29/10	15⅛	15.28
Bk. of Tokyo 5¼ 91 (D)	0⅛	98⅝	99⅛	10/8	13⅛	13.40
Bk. Nova Scotia 5¼ 93	0¼	99⅛	99⅝	29/10	15⅛	15.20
BFCE 5¼ 88	0¼	99⅛	99⅝	28/10	15	15.08
BFCE 5¼ 87	0¼	99¼	99¾	27/7	16⅛	16.33
Caisse Nat. Tels. 5¼ 90	0¼	99⅜	99⅞	21/10	15¾	15.83
CCCE 5¼ 2002	0⅛	98⅝	98⅞	11/6	14.82	15.02
Co-Ban Eurofin 5¼ 91	0¼	99⅛	99⅝	14/10	16	16.10
Credit Agricole 5¼ 97	0¼	99⅛	99⅝	24/9	15.44	15.52
Credit Lyonnais 5¼ 97	0¼	99⅜	99⅞	1/10	15	15.06
Credit Nat. 5¼ 94	§0⅛	98⅞	99⅛	9/6	14.69	14.84
Denmark, Kngdm. of 92	0⅛	99⅛	99⅜	25/8	15.44	15.55
Den Norske Cred. 5½ 93	0¼	98	98½	4/6	13.56	13.80
Indonesia 5¼ 92	0¼	*98⅝	99⅛	29/11	14⅛	14.92
Ind. Bank Japan 5¼ 88	0¼	99	99½	12/11	14½	14.61
Kansallis Osake 5½ 92	0½	99⅜	99⅞	6/11	15.31	15.37
Lloyds Eurofin 5⅛ 93	§0⅛	99⅛	99⅜	29/10	17⅛	17.23
Long Term Cred. 5¼ 92	0¼	98⅜	98⅞	29/11	14⅜	14.63
J. P. Morgan 5¼ 97	§0⅛	98⅝	98⅞	12/8	14⅝	14.79
Nat. West. Fin. 5¼ 91	§0⅛	99⅛	99⅜	12/7	15.18	15.28
New Zealand 5¼ 87	0⅛	99⅜	99⅞	7/10	15.56	15.62
Nippon Credit 5¼ 90	0⅛	99¼	99¾	10/8	12.06	12.14
Offshore Mining 5¼ 91	0¼	98⅜	98⅞	2/8	13	13.13
PKbanken 5 91	0¼	99⅛	99⅝	17/2	14⅜	14.47
Scotland Int. 5¼ 92	0¼	98⅞	99⅜	23/9	15⅛	15.51
Sec. Pacific 5½ 91	0¼	98⅜	98⅞	24/11	15	15.06
Societe Generale 5¼ 95	0¼	98⅝	99⅛	1/6	15.31	12.39
Standard Chart. 5¼ 91	0¼	98⅞	99⅜	18/11	14⅞	15.01
Sumitomo Fin. 5½ 88	0¼	99⅝	100⅛	8/8	16	16.02
Sweden 5¼ 89	0¼	99	99½	28/8	15.31	15.45
Toronto Domin'n 5¼ 92	0¼	99⅛	99⅝	11/8	16⅛	16.46

Average price changes... On day −0⅛ on week 0

CONVERTIBLE BONDS	Cnv. date	Cnv. price	Bid	Offer	Chg. day	Prem
Ajinomoto 5¼ 96	7/81	933	85⅝	87⅛	−1¼	2.51
Bow Valley Inv. 8 95	4/81	23.12	99½	101	+0⅛	82.12
Bridgestone Tire 5½ 96	3/82	470	82½	84	−1¼	−2.20
Canon 6¾ 95	1/81	829	91¼	92⅞	−2⅛	3.97
Daiwa Secs. 5½ 96	12/81	513.3	†82	84	−1	−1.09
Fujitsu Fanuc 4½ 96	10/81	5641	91¾	93¼	−0⅛	16.56
Furukawa Elec. 5¼ 96	7/81	300	93	94½	−0½	−2.66
Hanson O/S Fin. 9½ 96	8/81	1.36	†84	85	−0½	−11.90
Hitachi Cable 5¼ 96	2/82	515	89⅛	90⅝	−1¼	3.54
Hitachi Cred. Cpn. 5 96	7/81	1612	78	80	−1	8.13
Honda Motor 5½ 97	3/82	841	83⅞	85⅜	−2½	1.99
Inchcape 8 95	2/81	4.55	†56	58½	−1	17.75
Kawasaki 5½ 96	5/81	229	62½	64	−1⅛	2.11
Marui 8 96	7/81	846.4	103	104½	0	5.60
Minolta Camera 5 96	10/81	826.4	61⅛	63¼	−1⅛	17.51
Minorco 9⅞ 97	5/82	8.12	†86	87½	−0½	29.29
Murata 5¼ 96	7/81	2168	68½	70	−1½	12.12
NKK 6½ 96	7/81	188	76½	78	−2	−11.43
Nippon Chemi-C. 5 91	10/81	919	64	66	0	18.27
Nippon Electric 5¼ 97	2/82	846	92⅝	94¼	−0⅜	4.34
Orient Finance 5¼ 97	3/82	1205	93⅜	94⅞	−1⅛	8.55
Sanyo Electric 5 96	10/81	652	71½	73	−1½	17.66
Sumitomo Elec. 5½ 97	3/82	677.3	87⅜	88⅞	−1⅛	4.01
Sumitomo Met. 5¼ 96	10/81	296.1	63⅛	64⅝	−0½	26.11
Swiss Bk. Cpn. 6¾ 90	9/80	191	78	80	−0⅛	32.99
Konishiroku 6 90 DM	2/82	585	101	102	−0⅛	1.56
Mitsubishi H. 6 89 DM	2/82	263	92	93	−0½	17.98

* No information available—previous day's price.

† Only one market maker supplied a price.

Straight Bonds: The yield is the yield to redemption of the mid-price; the amount issued is in millions of currency units except for Yen bonds where it is in billions. Change on week=Change over price a week earlier.

Floating Rate Notes: Denominated in dollars unless otherwise indicated. Coupon shown is minimum. C.dte=Date next coupon becomes effective. Spread=Margin above six-month offered rate (‡ three-month; § above mean rate) for U.S. dollars. C.cpn=The current coupon. C.yld=The current yield.

Convertible Bonds: Denominated in dollars unless otherwise indicated. Chg. day=Change on day. Cnv. date=First date for conversion into shares. Cnv. price=Nominal amount of bond per share expressed in currency of share at conversion rate fixed at issue. Prem=Percentage premium of the current effective price of acquiring shares via the bond over the most recent price of the shares.

Pabst goes for Olympia as brewing bids spread

By David Lascelles in New York

PABST BREWING of Milwaukee responded to an unwelcome takeover bid by Heileman yesterday by hitting the acquisition trail itself and making a bid for Olympia Brewing.

Pabst, the fourth largest brewer in the U.S., offered to buy 49 per cent of Olympia for about $36m, and then merge in a subsequent transaction. Olympia, based in Washington state, ranks number seven in the U.S. brewing league and is a major force in the U.S. northwest. It said it would review Pabst's offer and make a statement today.

Mr William Smith, Pabst's president, said "The combination of Pabst and Olympia Brewing, we are confident, will be a powerful competitive force in the American brewing industry." He said Pabst was going ahead with the bid despite the offer from Heileman because it had been advised by its lawyers that a Pabst-Heileman merger could run into anti-trust problems with the Justice Department.

Pabst, which made its first loss in 1981, is already on the receiving end of an offer from a Philadelphia brewer, C. Schmidt and Sons. In fighting the bid, it said that it would not oppose an offer of $25 a share in cash.

Heileman, the sixth largest U.S. brewer, made a $197m bid for Pabst at the end of last week as part of its long-running attempt to expand by acquisition. It earlier tried to merge with Jos Schlitz but failed after the Justice Department raised objections.

The extraordinarily complex web of bids and counter-bids in which major U.S. brewers have now entangled themselves has come about as small aggressive brewers try to acquire large brewers who have lost their vitality.

Sales rise for Dutch chemicals

By Walter Ellis in Amsterdam

SALES BY the Dutch chemical industry in 1981 rose to Fl 33.9bn ($12.88bn) from Fl 29.5bn in the previous year. Exports accounted for Fl 29.8bn of the total, a 3 per cent increase on 1980.

The volume of Dutch-made chemical products rose at the same time by almost 1 per cent, having fallen by 4 per cent in 1980. The Association of Dutch Chemical Industries (VNCI), in its quarterly review of progress in the industry, notes that this improvement still leaves production below the 1979 level.

Expectations for 1982 are not high, and much is said to depend on the development of raw material and energy prices and the ability of producers to adjust their capacity.

Investments in 1981 totalled Fl 1.6bn, slightly more than in 1980 after allowance is made for price increases. The number of workers employed in chemical production in Holland remained at around 91,000.

● Nijverdal-Ten Cate, the Dutch textile group, made a small, undisclosed profit in the first quarter of this year and hopes to achieve a positive result for 1982 as a whole. Its operating profit for the three months was Fl 3.5m compared with Fl 2.8m, and sales were up 3 per cent at Fl 141m.

In 1980, Ten Cate closed a number of unprofitable activities in an attempt to adapt capacity levels to the depressed market, and the improved result this year so far has reflected this move. However, continuing weakness in the housing and construction markets have had a bad effect on the engineering division.

American Stores first quarter gain

By Our Financial Staff

EARNINGS HAVE nearly doubled in the first quarter to the end of April at American Stores, whose strong position in the prosperous Sun Belt states has enabled it to buck the generally dull trend in retailing.

Total net profits for the quarter rose from $7m to $13.7m or $1.40 a share on sales of $1.83bn against $1.68bn.

For the whole of last fiscal year, American Stores lifted earnings from $4.11 to $5.42 a share and Wall Street analysts are expecting about $5.85 a share this year.

Operating results for the first quarter included estimated costs and expenses expected to be associated with these closures.

Since the end of the first quarter, American Stores has entered into an agreement of sale for nearly all its Alphy's Restaurants in Southern California.

Beatrice Foods expects earnings fall

BY OUR NEW YORK STAFF

BEATRICE FOODS predicted yesterday that its 30-year run of improved quarterly earnings—one of the longest in U.S. corporate history — will be snapped when it reports earnings for the first quarter ending May 31.

Mr James Dutt, chairman, told shareholders of the large food company in New York that the decline would be of the order of 10 per cent. The quarter would be the toughest of the year, he said, because of the U.S. recession.

However, Mr Dutt predicted that Beatrice's earnings for the whole year will be higher than last year, when Beatrice earned $2.87 a share fully-diluted.

Mr Dutt said that Chicago-based Beatrice was planning to spend about $125m expanding its Coca-Cola bottling business in California and Venezuela. The company would also buy in up to three million of its shares to replace stock which would be issued in connection with the Coca-Cola purchases.

Beatrice earned a restated $1 a share fully-diluted in last year's first quarter, including a 4 cents a share charge from the adoption of Lifo (last in first out) inventory accounting and a 29 cents gain for the flow-through of investment tax credits.

"The dilution from last year's acquisition of Coca-Cola of Los Angeles and Buckingham will be felt most strongly in the first quarter," Mr Dutt said.

Mr Dutt said that Beatrice had completed about 80 per cent of its divestiture programme.

Over the past two years, Beatrice has sold almost 60 companies, accounting for about $1bn in sales per year.

Beatrice was spending $4m to instal an asceptic packaging line at its Champagne, Illinois plant. It expected to use asceptic packaging for some of its Meadow Golds dairy products and for fruit juice, possibly including some citrus juices of its Tropicana products subsidiary, Mr Dutt said.

Beatrice had signed a franchise agreement, subject to Government approval, to start a Coca-Cola Bottling operation in Venezuela. The start-up of the Venezuelan operation would be financed with earnings from existing operations in that country.

Mr Dutt disclosed that Beatrice had completed the acquisition of Coca-Cola Bottling of San Bernardino, California, for an undisclosed sum.

Food operations account for some 76 per cent of total group sales and 67 per cent of income, with about 24 per cent and 20 per cent respectively coming from outside the U.S.

Major contributions to income now come from travel and recreational operations, and from a chemical division. While some slowdown was anticipated this year, Wall Street generally retains confidence in prospects for longer terms growth at Beatrice.

Horten outlook remains bleak

BY OUR FINANCIAL STAFF

HORTEN, the West German department store group, expects earnings to remain depressed in 1982 — even if the economy starts to pick up.

The company expects unemployment to increase and disposable income to remain weak. To cope with slack sales in the industrial Ruhr district where Horten outlets are concentrated, management has started to emphasise cheaper, lower quality products.

In the first five months of 1982, total sales amounted to about DM 1.1bn ($462.7m), a decline of 3.8 per cent from the corresponding 1981 period when adjusted to reflect comparable floor space. Nevertheless, Horten hopes for some small improvement in its autumn and Christmas business this year.

Horten, which proposes to cut its 1981 dividend to DM 2.50 per share from DM 4.50 in 1980, saw earnings tumble almost 50 per cent to DM 12.5m last year. For retailing 1981 was the worst year in recent memory.

Retail sales for 1981 totalled DM 2.87bn compared to DM 3.34bn the previous year. But direct comparisons are made difficult by the fact that the company recently sold its food and produce business.

Total 1981 sales were 5.3 per cent lower last year than in 1980 excluding food, and just 4.5 per cent lower when adjusted for the same floor space.

Private consumption in Germany dropped 1.1 per cent in real terms last year or 1.3 per cent per capita. Retail sales receded 2.4 per cent in real terms.

No reply yet to Mesa bid

By Our Financial Staff

MESA PETROLEUM, the independent Texan oil group, said it still had not received a formal reply from Cities Services, regarding Mesa's $3.9bn bid offer.

Mesa has offered to buy 51 per cent of Cities Service's 77.9m outstanding shares for $50 a share.

Cities Service yesterday called Mesa's offer a "rather weak tactical manoeuvre" but stopped short of rejecting the bid.

Mr T. Boone Pickens, chairman and president of Mesa, asserted that Mesa's offer was a "responsible proposal which we believe is in the best interest of the shareholders of Cities Service and of Mesa."

Grupo Alfa $120m loss

BY OUR FINANCIAL STAFF

LOSSES at Grupo Industrial Alfa, Mexico's largest private holding company, were spelled out in Monterrey yesterday by Mr Bernardo Garza Sada, president.

He told about 1,000 shareholders in the financially troubled group that Alfa had a deficit of more than $120m in 1981 compared with a net profit of $158.8m in 1980. The group has suspended interest payments on its $2.3bn debt because of cash flow problems.

The group, which has heavy short-term debts shortly due for payment abroad, has been selling off some of its assets, including steel mills, breweries, resorts, electronics, petrochemicals, fibres, transportation, and paper mills, to try and stay afloat.

Mr Garza Sada blamed most of the conglomerate's troubles on delays in expected product price rises, high prices of imported goods and on the devaluation of the peso, which makes it more expensive for Alfa to pay off its foreign debts, most of which are in U.S. dollars.

He said Alfa would sell more holdings and reduce investments, but the stability of the conglomerate was beyond doubt.

Alfa wants to pay off a $150m loan from a Government bank with stocks in Hylsa, an Alfa subsidiary that produces steel products, and was its only offshoot to increase profits last year, if the company cannot liquidate its debt in any other way.

Royal Bank of Canada sees decline

By Robert Gibbens in Montreal

CANADA'S largest chartered bank, the Royal Bank of Canada, had a better performance in the second quarter of this year compared with the first, but earnings generally for fiscal 1982 are not expected to match those of fiscal 1981. Assets at April 30 reached C$89.5bn (U.S.$72.1bn), up from C$71.3bn a year earlier.

Second quarter earnings were C$85.3m or 92 cents per share against C$104.5m or $1.25 a year earlier and C$80.7m or 88 cents a share in the first quarter.

In the first six months net income was C$166m or C$1.80 per share against C$243.9m or C$2.98 a year earlier.

International Thomson links with Jensen

By Our Financial Staff

INTERNATIONAL THOMSON ORGANISATION, which holds substantial oil and gas interest through its 20 per cent stake in Piper and Claymore, two of the major oilfields in the UK North Sea, is extending its energy activities in Canada with the formation of a partnership with privately-owned R. D. Jensen Holdings. The partnership, to be known as Thomson-Jensen Energy, will participate in the acquisition and exploration of oil and gas properties.

France's paper industry fights for survival. David Housego reports

Fingers crossed at Darblay

CHAPELLE DARBLAY, the French paper manufacturer which accounts for 90 per cent of domestic newsprint production, filed for bankruptcy 18 months ago—a victim of a similar malady of outdated plant and higher costs of energy and imported pulp that has inflicted other EEC producers.

After a brief recovery four years ago, when it recorded profits of FFr 2m ($325,000) in 1978 and FFr 27m in 1979, Darblay fell back into tho red in 1980 with a loss of FFr 157m on a turnover of FFr 1.2bn. Total claims by creditors when the company filed for bankruptcy amounted to FFr 910m. Of this about FFr 290m was due to suppliers—many of thom manufacturers and traders in the Rouen area, where Darblay has its two major plants and whoso future is now closely linkod to the fate of the group.

Worried by the political impact that tho closure of a company with a total workforce of 4,500 could have had on last May's presidential election, tho former Government of Presidont Giscard d'Estaing decided to cover the company's losses and keep it temporarily afloat. Ownership of Darblay is split between the state investment institution IDI and Paribas (now also notionalised).

But there seems little doubt that the ultimato Intention was to let tha company (or at least its major units) fold, in the belief that France should discard its traditional high cost industries. Newsprint production costs at Darblay are about 25 per cent abovo thoso of Scandanavia and 60 per cent above Canadian costs.

The Socialists have rejected this solntion as defoatist—M Piorre Dreyfus, the Industry Minister, aays no major sector of iodustry can be regarded as "condemnod." Among reasons put forward for attompting to rescue at least parts of Darblay through a modernisation plan are:

● Tho strategic importance for France of maintaining an iodependent domestic source of newsprint supply. This logic has been accepted by successivo governments and lies behind French newsprint manufacturers being provided with a guaranteed market and being paid, through an official subsidy, 8½ per cent above the going international price. In spite of this French newsprint production fall from 445,000 tonnes in 1970 to 260,000 tonnes in 1980. Darblay's output of newsprint in 1981 was 235,000 tonnes or 55 per cent of total group production.

● The scope for reducing France's trade deficit in paper and pulp products. This reached FFr 5.7bn in 1981 (tbe equivalent of about 10 per cent of France's overall trade deficit), of which FFr 950m was in newsprint. The combination of large sales in France and extensive French forest reaerves is seen as a strategic base for a domestic industry geared to a "reconquest of the domestic market."

● Closure would add seriously to unemployment in a politically sensitive area. Of the 4,500 jobs at stake at Darblay, about 2,500 are at Grand-Couronoe and St Etienne-du-Rouvray, neighbouring factories on the Seine on the outskirts of Rouen. But unions believo that the rippla effect from a closure would bo the loss of about 6,000 jobs in the Rouen area. Tho area already has one of the highest rates of unomployment in the country and is also in a Socialist-Communist belt.

Since the lato 1970s 14 rescuo plans have been drawn up in an attompt to sava Darblay, which is also a substantial producer of coated paper for magazines. In fact, it seemed that the former Govarnment had itself embarked on a rescue plan when it twisted Paribas' arm in 1978 to holp finance FFr 275m of Darblay's investment.

This comprised FFr 200m for a new paper making machine at St Etionno and FFr 75m for a gonerating plant at Grand-Couronne. Most of the equipment at the two factories, which together account for Darblay's newsprint production, dates from before the Second World War. This initial iovestment was to have been part of an overall FFr 1bn modernisation plan that would have also embraced the company's third factory at Corbeil-Essonnos. But it was abandoned in 1980 in tho face of rising losses at Darblay and the advancing competition of the Scandinavians and North Americans in West European markets. Part of the bitterness of the unions—the Communist-led CGT, which is demanding the nationalisation of Darblay, is by far the strongest—is the result of this unexpected turnround.

All the plans depend on a continuing subsidy for French newsprint production and for varying degrees of state investment. In addition, industry executives see no way that newsprint production could yield commercial return on capital for several years.

RECENT PERFORMANCE

	Net profit/loss FFr
1978	2m
1979	27m
1980	*157m
1981	*164m
1982	*100m estimate

* Loss.

Torn between anxiety to maintain the competitivenoss of French industry, the already heavy demands on the budget, union and employment considerations and the strategic importance of the paper industry, the Government is still reserving judgment. Tho price of delay is that it continues to cover losses which amounted to FFr 164m in 1981 and are expected to be down to FFr 100m this year as a result of labour saving.

These losses take into account a 12-month freeze on wages and a continuing freeze on financial charges.

The two proposals that appear to bave found most support in tho Ministry of Industry — the Government dopartment where the initial decision lies — both involve the dismantling of Darblay and a strong Scandinavian participation. As such they have run into opposition from both the unions and the French paper industry. French manufacturers believe that Scandinavian companies want control of Darblay's distribution network — its subsidiary Papeterie Navarre has 10 per cent of the market—and to pave the way for increasing Scandinavian paper imports.

The first proposal is based on a consultancy plan put forward by the major Scandinavian producers, Stora Kopparberg of Sweden and Templa of Finland. It would involve a FFr 400m investment at Grand-Couronne spread over four years. The plant would continue to concentrate on newsprint production with a slightly expanded capacity of between 120,000 and 140,000 tonnes and the possibility of doubling this later. A major reduction in costs would be achieved by using French wood and waste paper as raw materials instead of imported wood from Canada and Russia. But Stora appears reluctant to put up any of the finance. The plan could also involve the closing of St Etienne.

For the St Etienne plant, the proposal under study has been put forward by Modo, tho large Swedisb group, which has recently taken a 49 por cent holding in Cellulose d'Alizay (formorly part of the now defunt Groupoment European de la Cellulose—GEC) and which manufactures chemical pulp near Rouen. The plan would be to transform the factory away from newsprint and towards wood-freo printing and writing papers — drawing on raw matarials from nearby Cellulose d'Azilay. Modo would bear tho cost of tho investment but would require the Govornment to bear the redundancy costs involved in reducing tho workforce from 1,270 to 700.

As a result of hostility to both these plans the Governmeot has commissioned a fresh study from Beghin-Say, the French paper and sugar manufacturer. The group recently opened a new coated paper plant at Corbehem in the Pas-de-Calais. The origins of the study lie in a recent semi-official report oo the potontial development of tho French newsprint industry focused on both Darblay aod Boghin-Say. But total investment could run np to FFr 1bn and would depend on state funds.

Darblay's creditors as well as the unions involved aro pressing for a rapid decision. As in tho steel and textile sector, tho Govornmont's response will be an important test of how it balances the demands of traditional industries against those of its high technology information industries. It does not have the resources to do everything.

Rauma-Repola falls short of profit target

By Lanco Keyworth in Helsinki

RAUMA-REPOLA, the Finnish forest products, engineering and shipbuilding group, increased net earnings in 1981 by 1 per cent to FM 56m ($14m), although turnovor rose by 15 per cent to FM 3.79bn. It maintained its dividend at 10 per cent.

The company reports that its result was "not as good as expected." Tha mechanical woodworking division ran up a loss, and the shipbuilding and engineering divisions did better than in 1980 but failed to meet their targots.

● Huhtamaki, the conglomerate with interests in the food, bovorages, pharmacouticals, plastics, packaging and eogiooering, reports a satisfactory result for 1981. Not sales Increasod by 15.8 por coot to $410m, of which oxports accounted for 28 por cent. Not earnings increasod from $2.6m to $4.4m.

Standard Telephone

The initials STC are the registered trade mark of Standard Telephone and Cables. Their use in a recent article concorning the Scandinavian Trading Company was inadvertent.

PHW in Japan marketing deal

BY JONATHAN CARR IN BONN

PHB WESERHUETTE (PHW), the West German group specialising in mining and mechanical handling equipment, has reached an agreement which it sees as a first stop to opening np the difficult Japanese market.

PHW and Kajima Corporation of Tokyo bave agreed jointly to offer coal handling equipment, built largely with know-how from PHW, on the Japanese market.

For PHW the agreement means a breakthrough in a country where it bas long seeo good prospects but where, until now, it had failed to find a suitable partner.

Herr Peter Jüngen, board chairman, stressed at the annual press conference that Japan was already a major coal importer and was likely to double coal consumption over the next two decades.

Mncb of Japan's future coal was likely to come from Australia, where PHW already had a very strong foothold, not least as supplier of materials handling plant for the contineot's biggest coal export plant at Newscastle. PHW thus stood to gain increasing business at both ends.

Looking ahead, Herr Jungen saw a further increase in overall sales and earnings this year —but not such a dramatic boost in incoming orders as in 1981.

Last year the group orders intake rose by 29 per cent to DM1.2bn ($506m) and parent company ordors increased by 35 per cent to DM687m—mainly as a result of the drive by customor countries to invest in oil substitutes, principally coal.

Herr Jungen noted that demand could not be expected to continue to expand so rapidly, not least because of the stabilisation of the oil price.

O and K looks for recovery

BY OUR BONN CORRESPONDENT

ORENSTEIN and Koppel, the West Gorman engineoring group, hopes to cut its losses furtbor this year and move back into profit in 1983.

The company said it was making good progress with ita rationalisation plan and expected buoyant industrial plant sales. On the other hand, sales of building equipment, an O and K speciality, were likely to stay weak.

The annual press conference was told tbat last year O and K reduced losses to DM 46.9 ($20m) from DM 49.6m in 1980 (after a profit of DM 5.8m in 1979).

Board membors emphasised that costs had beon cut, production was being concentrated on fewer factories and the product palette itself had been revised. However, those rationalisation measures themselves had initially beon costly to introduce and would only be seen to pay off in tho longer term."

Further, O and K—like its domestic competitors—had been hit badly last year by tho weakness of the domestic economy and of the construction industry in particular. Group turnover bad marked time at DM 1.3bn—but within that 6guro domestic sales hod follen by 24 per cent to DM 425m. Tbe major boost camo from oxports (up 36.5 per cent to DM 385m) and from tho sales of foreign subsidiaries (up 6 per cent to DM 457m).

VONTOBEL EUROBOND INDICES

145.76 = 100%

PRICE INDEX	1.6.82	25.5.82	AVERAGE YIELD	1.6.82	25.5.82
DM Bonds	96.10	96.33	DM Bonds	9.081	9.034
HFL Bonds & Notes	99.67	99.81	HFL Bonds & Notes	10.014	8.985
U.S. $ Strt. Bonds	90.64	90.70	U.S. $ Strt. Bonds	13.918	13.897
Can. Dollar Bonds	82.17	91.96	Can. Dollar Bonds	15.284	15.341

Drop in sugar price hits CSR

BY MICHAEL THOMPSON-NOEL IN SYDNEY

CSR, Australia's third largest company, made a net profit of A$82.4m (US$86.3m) in the year to March 31 1982, a fall of 26.5 per cent on 1980-81.

The outcome was in line with recent forecasts, and primarily reflected a slump in earnings from the group's sugar division, where profit in 1981-82 was more than halved, at A$22.1m against A$58.3m previously.

The company's building materials division marked time, with a net profit of A$23.3m against A$22.1m, and there was a reduced contribution from aluminium and chemicals, at A$5.3m compared with A$10.1m. However the energy division showed an improved profit of A$23.4m, up from A$15.5m, and profit from minerals was better at A$8.3m against A$6.1m.

A final dividend of 9 cents per share is being recommended, for an unchanged total distribution for the year of 18 cents per share.

Group revenue showed a 3.5 per cent fall at A$1.76bn, while operating profit (before interest of A$24m and income tax of A$35.2m), was 30.3 per cent lower at A$154m.

The directors said slower growth in most export markets had seriously affected commodity demand prices. Export prices for sugar had fallen steeply, and lower prices also affected the group's distilleries, its Indonesian tin-mining interests, and its Mt Gunson copper mine.

Capital expenditure during the year was A$545m, including A$147m in equity and loans to Delhi Australia Fund (DAF), a financing trust sponsored by CSR, and to Delhi Petreloum, the operating company controlled by the fund.

The main capital outlays in the year ahead, said the company, would include a total of A$182m on coal interests: A$50m on DAF; A$25m on the Tomago aluminium smelter and A$180m on other ventures.

Midway earnings rise at Herald and Weekly Times

BY OUR SYDNEY CORRESPONDENT

THE MELBOURNE - based Herald and Weekly Times has reported a 17.6 per cent increase in net profit for the six months to March 31, to A$12.43m (US$13m).

The result represents 13.1 cents a share, against 11.1 cents a share, and was after A$7.82m of tax and an allowance of A$1.8m for depreciation.

Turnover was 15.9 per cent higher at A$173m The interim profit before tax, minority interests and extraordinary items was A$20.72m, up from A$17.98m.

The group is still the subject of a A$132m partial take-over bid by Mr Robert Holmes à Court's Bell group, which is bidding for 50.1 per cent. The Bell offer was initially rejected outright, because it was partial, conditional and contained "many unsatisfactory features."

But the offer deadline has been extended to July 26. Most shareholders are awaiting the outcome of an Australian Broadcasting Tribunal hearing on the offer.

Sharp advance at UEB

BY DAI HAYWARD IN WELLINGTON

UEB INDUSTRIES, one of New Zealand's large industrial companies heavily involved in packaging and carpet manufacturing, has achieved a 50 per cent jump in profits to NZ$15.5m.

Sales were 6 per cent higher at NZ$241m although exports showed only a marginal increase from NZ$33m to NZ$36m.

The company suffered from a shortage of yarn for carpet manufacture during the year because of a fire in one of its plants.

UEB is to make a one-for-ten scrip issue and will pay a dividend of 25 cents a share.

Michael Thompson-Noel explains why key stakes in the Cooper Basin oil and gas liquids project have changed hands

Bond cashes in for A$188m

MR ALAN BOND, chairman of Bond Corporation, does not suffer vertigo. Last night, in his suite of offices on the 29th floor of the Stock Exchange building in Sydney's Bond Street, this famous survivor of the Australian business scene was calmly surveying the latest coup — the sale, late yesterday, of the bulk of his gronp's shareholding in Santos, the South Australian oil and gas producer.

In a deal that had been preceded by intense speculation, Mr Bond sold 13.33 per cent of Santos to the National Mutual Life Association of Australasia, the country's second largest life office, for A$136.8m (U.S.$143.6m) — retaining a nominal 1.37 per cent

On Tuesday, Bond Corporation offloaded its entire stakes in Reef Oil and Basin Oil, which together with Santos are among the partners in the Cooper Basin development. Australia's most valuable onshore oil and gas project.

The proceeds of these transactions total A$188.5m. All of it is being used to reduce Bond's ever-pressing debts—put by Mr Bond a few weeks ago at around A$250m.

Thus, with a skip and a bound, Bond Corporation has transformed its position from one of painful over-gearing to quite the reverse.

"We are now substantially undergeared," Mr Bond said yesterday quite seriously, agreeing that the new look of Bond Corporation, shorn of its stake in the Cooper Basin and with its prime assets now in brewing and property, looked somewhat tamed and sedate.

Not that everyone will be pleased. "It will be less exciting for our Australian shareholders," said Mr Bond. "They like their risk analysis factor."

The sale of Bond's stake in Santos was not unexpected. Last September, when Bond Corporation bought Western Australia's Swan Brewery with the aid of an A$130m loan, Mr Bond said that something would have to be sold, to reduce group debt.

What was not expected, at least in Australia, was the scale or scope of his Cooper Basin disposals. Mr Bond has pulled right out of what many regard as the country's most exciting energy project. Yet the Cooper Basin liquids scheme will not yield significant cash flow for at least another two years.

A combination of at least three factors may have been at work:

● Trading losses incurred by Walton Bond in its recent Simplicity Pattern transactions, which are thought to have cost at least A$7m;

● Further losses experienced in the group's industrial division in the past 12 months, due to depressed economic activity in Western Australia;

● Current high interest rates, which are cutting a swathe through boardrooms across Australia.

Of the Santos deal, Mr Bond said yesterday: "Bond is effecting the majority of the group's debts on a long term basis, with a consequent reduction in gearing . . . . . we may not always pursue our long term objectives as some other companies do. Nevertheless, it is this sometimes unorthodox approach which has got Bond Corporation where it is today."

In any case, he said, there would be another energy and mineral project for Bond to apply itself to, via Pacific Copper, of which it holds 20 per cent, and Endeavour Resonrces.

The main planks of the Bond Corporation now are Swan Brewery and Waltons Bond. The latter has property assets valued by Mr Bond recently at more than A$200m.

Bnt Swan is the apple of his eye. He predicted recently that

Mr Alan Bond

its cash flow over the next five years was likely to average A$50m-A$60m a year, and he said that its under-utilised assets would be nsed to help pump a "tremendous volume" of beer into South-east Asia.

Last night, it could be said, Houdini was alive and well and stalking the 29th floor of the Sydney Stock Exchange building.

First-half downturn for KLK

BY WONG SULONG IN KUALA LUMPUR

KUALA LUMPUR KEPONG (KLK), Malaysia's fourth largest plantation group, suffered a 28 per cent drop in after-tax profit to 13.7m ringgit (US$6m) for the half-year ended March.

The downturn was largely due to the depressed rubber price which has fallen by more than 40 per cent in two years.

The group recorded a 37 per cent drop in pre-tax earnings to 15.5m ringgit on turnover down 25 per cent to 61.4m ringgit.

Earnings from overseas investments were lower but this was offset by a sharp increase in contributions from associated companies.

Rubber production was marginally lower at 8.3m kilos due to lower yields and prices obtained were a good 30 per cent lower at 204 cents per kilo.

Output of palm oil rose by 13 per cent to 182,000 tonnes due to better yields and a larger maturing acreage and prices obtained were 5 per cent higher at 911 ringgit per tonne.

KLK is expected to pay an interim dividend later in the year. The interim pay-out for 1980-81 was 2.5 cents per share.

KD bond issue by Orient Leasing

TOKYO—Orient Leasing Company, Japan's largest leasing company, is to issue $21m of Kuwaiti dinar-denominated common debentures on June 9 through Orient Leasing Caribbean. An underwriting agreement has been signed with a syndicate led by Kuwait International Investment.

The bonds will be sold mainly in Kuwait and nearby countries but will also be offered on the London Stock Exchange.

The coupon rate on the five-year bonds will be set at 12.75 per cent per annum, somewhat lower than the 15.5 per cent to 16 per cent on U.S. dollar bonds of the same duration.

The company will also issue $20m of dollar-denominated convertible debentures in London on June 15. An underwriting agreement has been signed with a syndicate lead by Daiwa Europe, based in London.

The coupon rate on the 15-year bonds has been set at 6.25 per cent per annum. Kyodo

Middle East Airlines in the red

By Michael Donne, Aerospace Correspondent

MIDDLE EAST AIRLINES, the flg carriers of the Lebanon, incurred a trading loss of £10m in 1981, compared with a small profit of just over £1m in 1980.

Mr Asad Nasr, chairman, said in Beirut that the causes were the depressed state of the Lebanese travel market arising from the continued hostilities in the country.

But Mr Nasr stressed that despite the difficulties, the airline still retained substantial reserves. Assets exceeded current liabilities by about £33m.

Mr Nasr said that "though several months will be required before a complete recovery is attained, much progress has already been achieved and the 1982 results are expected to reflect a major improvement over 1981."

COMMODITIES AND AGRICULTURE

Foot and mouth in W. Germany

BONN — Foot-and-month disease has hroken out in the West German State of North Rhine-Westphalia following recent outhreaks in neighbouring Denmark and East Germany, the agricultural authorities said here, reports Reuter.

The regional ministry of agriculture said the infection was confirmed yesterdoy in 18 pigs in a 78-head herd in the Wuppertal district.

The veterinary authorities ordered the immediate slaughter of all livestock at the farm concerned and sealed off the surrounding area for a radius of 2 kms.

All livestock within a radius of 10 kms from the farm will be ionoculated against the disease as soon as the precise virus type is established.

The infection is believed to have come from waste food used as fodder for the animals, the regional official noted.

A federal agriculture ministry official said in Bonn the Wuppertal outbreak was the first reported in West Germany since the outbreaks in Denmark and East Germany in March this year.

Hilary Barnes writes from Copenhagen: Denmark will be officially declared free of foot-and-mouth disease on Friday.

N. Zealand signs lamb deal with Iran

NEW ZEALAND has signed an £86m deal to supply Iran with more than 60,000 tonnes of lamb this season, hut shipments to the UK will not be affected, NZ meat producers said in London yesterday.

The Iranian contract also includes a reciprocal oil supply arrangement.

Iran is rapidly becoming one of New Zealand's largest customers for lamb, having hought more than 200,000 tonnes in the last three years.

Britain is still the largest single customer and will import ahout 185,000 tonnes this year, the centenary of its first ever frozen shipment to the UK.

Brazil to curb cocoa output

BY A SPECIAL CORRESPONDENT

RIO DE JANEIRO — The Brazilian cocoa authority, CEPLAC, has bowed to the reality of world overproduction and slashed its planting programme "Procacau." It announced in Brasilia that the production target of 700,000 tonnes a year by 1992, set when the programme began in 1977, had heen reduced to 550,000.

Production in the crop year which ends in September is estimated by the International Cocoa Council Organisation at 325,000 tonnes.

Dealers in the main cocoa state, Bahia, were only surprised it had taken CEPLAC so long to admit its original figures were over-ambitious. For most traders even the reduced target is high in view of the depressed state of the Brazilian cocoa industry.

"We are having enough headaches selling 300,000 tonnes now," said one broker. "It is all crazy anyway — unless you can find a way to produce petroleum from cocoa."

In Bahia, one of the world's main cocoa areas, there is very little incentive for growers to plant fresh trees. "I have the impression that the rate of abandonment of plantations could actually he higher than that of fresh plantings," said one exporter.

CEPLAC's decision will not halt a steady rise in Brazilian production for the next few years. Cocoa trees can be harvested after three to four years and reach full productivity after seven. So far 540,000 acres have already been planted under the Procacau scheme and have yet to reach full maturity.

Between now and 1985 another 235,000 acres will be planted, mainly in the virgin territories of Roodonia, Para and Amazonas. However, a further planned 335,000 acres has now been cut from the expansion programme, which involves financing farmers and encouraging more efficient methods.

● On the London futures market yesterday September cocoa fell £5 to a new 11-month low of £910.50 a tonne.

India to sell rice to Russia

BY K. K. SHARMA IN NEW DELHI

INDIA EXPECTS to export 1m tonnes of rice to Russia and other countries this year in spite of a precarious stock of food grains of less than 12m tonnes, the minimum considered safe for buffer stock purposes.

The Government has decided also to give a loan of 100,000 tonnes of wheat to Bangladesh which is facing an acute food shortage following three successive bad crops. The terms of the loan will be determined later this week.

Russia is the main huyer of rice because of its own shortages. Repayment is expected to be in the form of goods, particularly crude oil and petroleum products.

The Indian Food Department is closely watching operations hy State agencies to procure wheat from farmers in the northern belt which has been adversely affected by unseasonal rain and hail in the past few months. So far, procurement is well helow the level of last year, even though the standards of procurement have been lowered and discoloured wheat with a higher moisture content is being bought from farmers offering it.

A final decision on whether India should import wheat this year will be made in about a month when procurement for the season is completed. Traders claim that about 30 per cent of the wheat crop has been damaged, but officials say this is an exagerrated estimate.

However, agriculture officials do admit that the current season's output may fall to last year's level of 36.46m tonnes from the previously estimated 37.5m.

Sharp drop in tin market

By John Edwards, Commodities Editor

TIN PRICES tumbled again on the London Metal Exchange yesterday. Cash tin closed £205 lower at £6,470 a tonne and has now lost some £650 in just over two weeks.

Traders said that the market was hit hy sustained selling, mainly from speculative sources, and there was no sign of support buying by the huffer stock of the International Tin Council. It is believed that the buffer stock may well be reserving its limited resources to protect the Penang market. Although Penang is well above the London level at 29.21 Malaysian dollars per kilo, it is very close to the "floor" price of the International Tin Agreement of $M29.15 which the buffer stock is pledged to defend.

Other metals were also weaker yesterday. Higher-grade cash copper fell by £10 to £760.5 a tonne, and cash nickel was £55 down at £2,900 a tonne in spite of the International Nickel strike that started on Monday.

Farmland prices rise

By Our Commodities Staff

BRITISH FARMLAND prices moved sharply higher in April, lifting the February/April average for vacant possession land changing hands in England and Wales to £4,388 an acre from £3,134 in the January/March quarter.

But the Ministry of Agriculture, which published the figures yesterday, said the comparison had been distorted by an unusually large amount of upland coming on to the market in the first three months of the year. The weighted price, allowing for area and size group variations in the sample, rose from £3,811 a hectare in January/March to £4,128 in February/April. This figure was still the highest since the quarter ending June 1980, however.

MARKET PROFILE: NICKEL

A strike with little sting

BY TERRY POVEY

FREE MARKET nickel prices fell yesterday wiping out gains following the start of a strike at International Nickel's (Inco) Sudbury mines in Canada.

The failure of the market to maintain Tuesday's small increase in response to the start of the strike reflects more than anything else the decline of Inco's position as market leader and the gross oversupply situation in the market.

Such has been the poor state of the market that many traders and producers are hoping for a long strike at Inco, like that of 1978-79 which lasted almost nine months. This might reverse the situation and see nickel rising against the present trend of metal prices.

When the last strike began at Sudbury in September, 1978, Inco had the equivalent of seven months deliveries in stock. It took five months for the free market price to rise above its pre-dispute level. When the strike finally ended in June, 1979, prices ranged from $3.50 to $4.00 per pound on the free market—double the September, 1978, level. Today the price has fallen back to between $2.40 and $2.70 per pound.

At the start of this strike Inco have in stock some five months' worth of deliveries. Some traders are reasoning that within three to four months, should the dispute continue of course, the market will begin to pick up as fabricators buy in stocks to meet order book commitments. The tough stance currently being taken by the company is encouraging this view.

There are signs that it would be too optimistic to expect such a rapid turn-around. The primary uses for nickel—59 per cent of all output in 1979—are as an alloying element in the production of most stainless steels and in low alloy steels. According to Inco about "60 per cent of all nickel goes into capital goods and 40 per cent towards consumer durables."

These figures would suggest that unless in the course of the dispute there is a considerable pick-up in the economies of the industrialised world, it could take some time before the strike pushes prices back towards the mid-1979 levels.

In the meantime, while many producers may find it easier to sell off some of their stocks, they may not be able to raise prices much. With much new producing capacity situated in underdeveloped countries, there are many producers willing to sell at below production cost and official producer prices in their desperate need for hard cash revenues.

This applies to Eastern bloc States also. Russia is the world's second largest producer, and will for much the same reason be willing to sell on the free market to meet any Western shortfalls. By 1980 exports from the Communist world had risen from nothing to 90m lb before the mid-seventies.

The long-term problems of nickel are directly related to the state of the world economy. New uses for the metal that have been developed—such as in desalination plants for the Middle East, the nickel-iron cell for electric cars and rechargeable batteries—have been more than offset by the fall in use in coins, by the replacement of bright trim on cars by rubber-based products, and the decline of aero-engine production.

A possible use of nickel as a replacement for tin in the canning industry is still in its research stages and depends on its remaining significantly cheaper than tin.

With production costs estimated by Le Nickel (the third largest/producer in the West) at $4 per lb, it is clear that the lateritic producers would like to see prices rise to at least that level. Pressure on the better-established sulphide producers is less because of their lower energy costs. However the recent record on prices has been poor.

Eighteen months ago Inco set its price at $3.45 per lb, but after stiff resistance was obliged to introduce a 6 per cent discount in November 1980. This discount was maintained up to the summer of 1981, when in an attempt to end discounts Le Nickel abandoned its discount. As a result Le Nickel sold almost nothing during the third quarter of 1981 and was forced to cut prices during the fourth.

This price cutting led to a downwards tumble with prices as low as $2.65 being offered by producers. Inco's latest attempt to fix an agreed producer price of $3.20 per lb set in April of this year, has also not worked. "Everyone is selling below this price," one producer commented.

The strike at Inco's Sudbury complex and the decision by its neighbour Falconbridge (the western world's second largest producer) to have an extended summer shut-down are therefore being seen as the only "positive" elements in an otherwise gloomy prospect for the next year or so. The fact that a considerable economic upturn is also required must however mean that the length of this dispute should be comparable with that of 1978/79 if it is to improve things very much.

Danish farm aid attacked

BY HILARY BARNES IN COPENHAGEN

DANISH farmers' organisations have declared a government programme for aid to agriculture both inadequate and ideologically unacceptable. They say it will lead to the gradual nationalisation of the land.

The minority Social Democratic government has reached agreement with the centrist Radical Party, which has conditional support from the Socialist People's Party, which will be passed through the Folketing (parliament) within the next few days, if all goes according to plan.

The Government programme will provide the farmers with cash help over the next 12 months of about Kr 1.5bn, but about two-thirds of this sum is money which the Government has earlier agreed to give the farmers, including Kr 600m from a negative income tax.

From next new year, the Government plans to set up a Land Bank. This will enable farmers to convert up to Kr 10bn a year in mortgage debt to first priority mortgages from the Land Bank. These will carry a low nominal coupon of about 5 per cent, but the value of the mortgage will be index-linked to the value of the land.

Talks on manioc quotas

BRUSSELS—Two senior EEC officials have flown to Bangkok for talks later this week on the operation of Thailand's 5m tonne quota for manioc sales to the community in 1982.

Up to 5m tonnes can he imported into the EEC at a 6 per cent import levy, with any excess amounts liable to the full levy applicable to cereals.

The EEC officials have had talks with members of the Community's cereals trade, who have been pressing for changes in the operation of the quota system. Feedgrain manufacturers have been arguing for a switch in the marketing year in which the quotas apply from the present January-December to August-July. But the idea, aimed at avoiding difficulties in the latter months of this year when the quota is expected to he exhausted, has been rejected hy the EEC Commission.

So far import licences for around 5.5m tonnes of manioc from all destinations have been issued this year against an overall quota at the 6 per cent levy of 5.96m tonnes.

This has led to speculation that the entire quota will be used up hy September or October.

Reuter

BRITISH COMMODITY MARKETS

BASE METALS

BASE METAL prices fell heavily on the London Metal Exchange, with only Zinc recovering any measure of support. [illegible]

LEAD	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Cash	305-.3	-3.12	304-3	-5.25
3 months	316.5-7	-3	316-7	-2.75
Settlem't	303.3	-1.75	—	......
U.S. Spot	—	......	*26-8	......

Lead—Morning: Cash £305.00. Three months £312.00, 13.00, 14.00, 15.00, 14.00, 14.50, 15.00, 16.00, 16.50. Kerb: three months £316.50, 17.00. Afternoon: [illegible]

[illegible] £407.50, £7.00. Afternoon: three months £407.00, 09.00, 10.00, 11.00, 12.00, 13.00, 12.00, 09.00, 09.50, 09.00, 08.00, 09.00, 10.00. Kerb: three months £410.00, 09.00, 09.50, 10.00. Turnover: 18,625 tonnes.

Aluminm	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Spot	507.5-8	-10.2	000.5-10.5	-3.6
3 months	587.3-8	-11	330-.5	-6.75

Aluminium—Morning: three months £527.00, 26.50, 26.00, 27.00, 27.50. Kerb: three months £527.50, 28.00, 29.00, 30.00. Afternoon: three months [illegible]

[illegible]

SILVER

[illegible]

COCOA

Futures continued to ease as trade house selling pushed prices to new contract lows. [illegible]

[illegible]

COFFEE

[illegible]

GAS OIL FUTURES

The market opened weaker following a limit-down close in New York. [illegible]

GRAINS

The market opened 50p down on July wheat and unchanged all other [illegible]

SOYABEAN MEAL

[illegible]

SUGAR

LONDON DAILY PRICE—Raw sugar [illegible]

Tate and Lyle delivery price for granulated basis white sugar was £374.00 (same) a tonne fob for home trade and £208.00 (£209.00) for export.

COTTON

[illegible]

JUTE

[illegible]

WOOL FUTURES

[illegible]

RUBBER

[illegible]

POTATOES

[illegible]

MEAT/VEGETABLES

[illegible]

INDICES

FINANCIAL TIMES

June 1	May 08	Month ago	Year ago
834.17	837.50	244.79	850.79

(Base: July 1 1952=100)

DOW JONES

Dow Jones	June 1	May 98	Month ago	Year ago
Spot	123.13	184.83	185.85	—
Futr's	183.73	187.40	189.16	—

(Base: December 31 1974=100)

MOODY'S

June 1	May 28	Month ago	Year ago
990.2	1000.3	1093.2	1093.2

(December 31 1931=100)

REUTERS

June 2	June 1	M'nth ago	Year ago
1517.6	1530.1	1601.3	1731.0

(Base: September 18 1931=100)

PRICE CHANGES

In tonnes unless otherwise stated.

[illegible]

GOLD MARKETS

Gold rose $2¾ in the London bullion market yesterday, to close at $320½-321¼. This was the highest level of the day, reacting to the decline of the dollar in the afternoon. It opened at the day's low of $315-$315¾, and was fixed at $316.80 in the morning, and $318.50.

In Paris the 12½ kilo gold bar was fixed at FFr 64,250 per kilo ($321.59 per ounce) in the afternoon, compared with FFr 64,250 (320.51) in the morning, and FFr 63,750 ($320.97) Tuesday afternoon.

In Frankfurt the 12½ kilo bar was fixed at DM 24,395 per kilo ($318.02 per ounce), against DM 24,325 ($321.01) previously, and closed at $318-319, compared with $318¼-319¼.

In Luxembourg the 12½ kilo bar was fixed at the equivalent of $316.30 per ounce.

In Zurich gold finished unchanged at $317-320.

LONDON FUTURES

Month	Yest'rday's close	+ or —	Business Done
	£ per troy ounce		
August	182.25-2.35	+0.950	182.70-0.80
Sept'mb'r	184.10-4.35	+1.100	182.40
October	186.90-6.40	+1.250	186.55-5.10
November	187.60-8.80	+1.175	186.78
December	188.50-9.50	+0.450	189.70-7.50

Turnover: 536 (744) lots of 100 troy ozs.

	June 2		June 1	
Gold Bullion (fine ounce)				
Close	$320½-321¼	(£178-178½)	$317¾-318⅛	(£178-187½)
Opening	$316-315⅛	(£176½-177)	$319¾-320¼	(£178-178½)
Morning fixing	$316.80	(£177.409)	$319	[illegible]
Afternoon fixing	[illegible]	[illegible]	[illegible]	[illegible]
Gold Coins				
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

AMERICAN MARKETS

NEW YORK, June 2.

[illegible]

†Silver—June 60.50 (602.0), July 610.0-612.0 (608.0), Aug 619.0, Sept 625.0-627.5, Dec 647.5-650.0, Jan 656.9, March 674.0, May 688.0, July 702.5, Sept 717.7, Dec 740.4, Jan 748.0, March 763.2. Handy and Harman bullion spot: 605.50 (603.00).

Sugar—No. 11: July 7.60-7.62 (7.46), Sept 7.84 (7.76), Oct 7.98-7.99, Jan 8.90, March 8.10-9.12, May 9.32-9.33, July 0.49-9.52, Sept 9.51-9.70, Oct 9.75-8.90.

CHICAGO, June 2.

Lard—Chicago loose 23.50 (same).

Live Cattle—June 71.55 (72.77), Oct 61.60-61.65 (66.57), Dec 61.00-61.50, Feb 60.85-60.90, April 60.60, June 61.50.

Live Hogs—June 60.50-60.40 (61.52), July 59.65-59.65 (61.15), Aug 59.30, Oct 55.87, Dec 56.17, Feb 53.95, April 50.40, June 51.97, July 51.95.

‡‡Maize—July 271½-271 (270¾), Sept 273-273¼ (272½), Dec 278½-278¾, March 292¼, May 302, July 309¾.

Pork Bellies—July 81.27 (83.27), Aug 79.47 (81.47), Feb 74.90-74.75, March 75.00, May 76.00, July 75.25, Aug 75.10.

†Soyabeans—July 629-628½ (622¾), Aug 634-633½ (627), Sept 635-634¾.

[illegible]

§§ $ per 1,000 sq ft. ‡ Cents per dozen. †† $ per metric ton.

Monday's closing prices

Coffee—"C" Contract: July 133.[illegible]-134.00 (138.23), Sept 125.80 (128.52), Dec 121.10-121.20, March 117.25-117.50, May 115.00-117.00. Sales: 3,169.

Orange Juice—July 114.50-114.[illegible] (117.70), Sept 117.60-117.70 (125.50), Nov 118.80, Jan 121.80, March 12[illegible], May 125.00-125.20, July 126.50-[illegible], Sept 128.00-128.50, Nov 129.00[illegible]. Sales: 1,200.

CHICAGO, [illegible]

Chicago Imm Gold—June 31[illegible] (322.3), Sept 327.0-327.4 ([illegible]), [illegible] 337.5-337.1, March 348.3, Ju[illegible], Sept 370.6.

EUROPEAN MARKETS

ROTTERDAM, June 2.

[illegible] 224, Aug 224.50, Sept 227, Oct 229, Nov/March 234 sellers. Pellets Brazil: Afloat 234, June/Sept 235.50, Nov/March 253 sellers.

Cocoa—(FFr per 100 kg): July 986-1000, Sept 1035-1049, Dec 1080-1090, March 1126-1140, May 1155-1165, July 1185-1195, Sept 1210-1220. Sales at call: nil.

Sugar—(FFr per tonne): July 1422/1438, Aug 1430/1435, Oct 1393/1400, Nov 1390/1400, Dec 1405/1415, Mar 1538/1540, May 1553/1560, July 1580/1590. Sales at call: 11.

UK sugar output may top quota

The EEC Commission yesterday authorised the export of 32,550 tonnes of white sugar at its regular weekly tender in Brussels. Of this total 27,250 tonnes was of new series sugar at a maximum rebate of 31.366 European currency units and the rest old series sugar at 32.442 ECUs.

Meanwhile the executive Corporation said this year's UK crop could well exceed its EEC quota at 1.14m tonnes white value. BSC was pushing hard to encourage farmers to increase yields, he added.

NOISE IN BRITISH INDUSTRY

Removing the 'occupational hazard' of deafness

BY RAYMOND SNODDY

EARLIER THIS year Mr Ron Leighton, Labour MP for Newham NE, introduced his Industrial Deafness Bill in the House of Commons. This short Bill would, at a stroke, have widened the definition of the grounds for industrial deafness, fixed maximum levels of exposure to noise and set six mooths in prison for directors of companies who ignored fines and failed to take remedial action.

Mr Leighton's legislative hopes, however, were dead before the clauses were arranged on paper because be drew 16th place in the lottery for private members' Bills.

However, Mr Leighton had a special reason for making his parliameotary gesture and in his efforts to do more to protect an estimated 2m Britisb workers who face some degree of bearing loss because of industrial noise. As a young man his hearing was damaged while working on the presses of Fleet Street long before the dangers of noise were widely appreciated. Now he tends to avoid large, social gatherings because be finds it very difficult to hear what people are saying.

The cost of noise-induced hearing loss is great in terms of humao suffering. The effects of years of working io a shipyard, drop forge, textile mill or even bottliog plant without protectioo can silence a dawn chorus, limit appreciation of music or lead to increasing social isolation as coping with conversation becomes difficult.

It is also becoming increasingly costly for employers. Such hearing loss is now the single largest cause of industrial injury claims and Lord Justice Lawton, in a receot appeal in which damages were raised from £3,250 to £4,500, warned that bearing loss cases, ooce a trickle, could become a flood.

Harland and Wolff, the state-owned Belfast shipyard has set aside £11.5m to meet hearing compensatioo claims and has already paid out £6.5m.

But, *slowly, official action is* being taken which could soon lead to greater protection for the ears of Britain's workers. Negotiations are continuing to prepare an EEC directive on noise in industry.

In Britain evidence submitted in response to the Health and Safety Commission's consultative document, Protection of Hearing at Work, is now being assessed. New regulations placing additional responsibilities on employers could becoma law by next year. They would extend and make more specific the geoeral duties already existing under the Health and Safety at Work Act 1974.

The proposals set 90 dB(A)—a level at which conversations have to be conducted in shouts—as the action level. (dB(A) is a decibel measurement averaged over time, weighted for the frequencies perceived by the human ear and axpressed in a logarithmic scale so that a change of 3dB(A) represents a doubling or halving.)

The commission believes that exposures above 90dB(A) over an eight-hour day carry such a presumption of risk that "reasonably practicable measures for noise control otherwise than by personal protection" should be extended to the whole of industry. Abovc 90dB(A) employers will have to carry out noise surveys and keep records for inspectioo, provide suitable hearing protectioo with informatioo and training for employees, produce a plan of actioo to reduce noise and appoint a qualified person to run it.

There are no precise figures for those at risk from industrial noise. Damage varies with the type of noise, the length of exposure and the susceptibility of individual ears. But about 600,000 workers in Britain are probably exposed to 90dB(A) and above.

Rescarch has shown that if 100 people suffer noise levels of 90dB(A) for 10 years, five will become deaf enough to qualify for disability benefit. More than 2m could face lesser degrecs of risk through long exposure to levels betwcen 80 and 90dB(A).

However, the Trades Uoion Congress wants the action level to be 85dB(A) and for the empbasis in achieving this to lie with employers making the working environment safe by reducing noise at source rather than placing the burden of action on employees by expecting them to wear hearing protection.

The Confederation of British Industry says it can live with 90dB(A) but no lower. For the CBI the answer lies largely in educating workers to use ear plugs and muffs because engineering out noise is so expensive.

The TUC stand is symbolised in its call for the name of the regulations, Protection of Hearing at Work, to be changed to the Control of Noise at Work.

"Without sustained and effective pressure for the control of ooise at the design stage, it is doubtful wbether the new regulations will be effective in promoting a long-term improvemeot in noise reduction in the workplace," the TUC says.

Tbe TUC also calls for governmental financial incentives to encourage industry to co-operate to promote ooise control programmes.

A Bilsom noise survey in Bracknell, Berks.

Mr Dick Eberlie, a CBI spokesman commented: "Industries do oot want their workers going deaf and reasooable costs are acceptable. Massive costs which slow down investmant are not." The CBI estimates that it could cost Britisb industry £625m to achieve noise levels below 90dB (A) and an additional £500m to go below 84dB(A).

Mr Eberlie believes the problem of noise in industry could almost disappear within five years if enough money was spent designing ear muffs and plugs which are comfortable and enougb spent on publicity to persuade people to use them.

However, the EEC Commission may yet force the CBI below its current sticking point of 90dB(A) and more towards control of ooise at source. Although a draft directive has not yet been produced, a working document specified 85dB(A) as the noise limit and said that the use of ear protectors should remain an exceptional measure.

The progress of new British regulations could get hopelessly entangled with that of tha Brussels directive and the British Governmeot may wait to see what emerges from the commission. Both Denmark and the Netherlands want the noise level specified to be 80dB(A) via a step of 85dB(A) and Britain is isolated in holding out for 90dB(A).

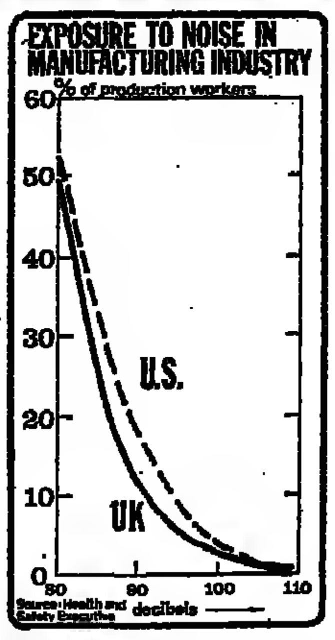
Looked at from the European perspective, Britain has a long way to go in appreciating the extent and dangers of industrial noise according to Mr David Howell, managiog director of Bilsom International, bearing protection apecialists.

His staff was once told by the safety officer of a British shipyard that deafness was just an occupational hazard that went with the job.

He favours part of the TUC argument—that 85 dB(A) is the right control level—and part of the CBI argument—that hearing protection equipment is an acceptable solution wben companies cannot, or cannot afford to reduce noise at source.

According to Mr Howell, with the help of audiovisual presentations workers can be persuaded to use ear protection. After a Bilsom presentation at Tredomen Engineering, in Wales, part of the Natiooal Coal Board, 60 per cent of the workforce started using ear protectors.

In January Bilsom, which has 80 per cent of tha ear plug market in Britain but 20 per cent of the much larger earmuff market, introduced a new hearing protection advisory service for industry. Apart from conducting ooise surveys and hearing tests, the plan is to advise industry on noise cootrol measures. At the same time as efforts are being made to persuade workers to protect their ears, there are signs of progress in making machines quieter.



Mr Henry Tiptoo, manager of the applied science division of the Machine Tool Industry Research Association, said that over the past four or five years most machioe tools had been reduced to around 80dB(A).

Lucas CAV has also made considerable progress in reducing noise at source. Tha company has spent £1.6m on a noise reduction programme which has involved setting up a group noise control centre with 14 specialists. Lucas sets a standard of 83dB(A) for all the equipment it buys.

COMPANY NOTICES

OESTERREICHISCHE ALPINE MONTANGESELLSCHAFT (VOEST-ALPINE)
Bonds of 1965 Due 1985
5¾%
$U.S.12,000,000
12th Drawing by lot of May 14th, 1982

The Holders of the abovementioned bonds are hereby informed that this year's redemption instalment of $U.S.972,000 maturiog June 15, 1982 has been partially effected by repurchase in the market and partially by drawing by lot.

Amount repurchased: $U.S.729,000
Amount drawn: $U.S.243,000

The following bond numbers have been drawn by lot in the presence of a notary public:

Denominations of $U.S.1,000:
1379-1390 1399-1404
1471 1473 1477

Denominations of $U.S.250
9489-9518 9719-9816
9818 9834-9859
9864-9865 9881-9892
9895-9888 9907-9967
10333 10459
10531-10533 10549
10554-10558 10659-10681
10663-10671 10674
10685-10696 11059-11087
11097-11098 11350
11352-11808 747-875

The bonds so called will become due and payable on and after June 15, 1982 at the offices of the paying agents mentioned in the terms and conditions of the bonds.

Furthermore it is recalled that the following bonds, drawn in previous years have not yet been presented for payment:

$U.S.1,000
Maturity 15.6.1977
2100
Maturity 15.6.1976
2406
Maturity 15.6.1980
5332-5333 5360-5363

$U.S.250
Maturity 15.6.1975
10112
Maturity 15.6.1980
6262-6264 6274-6275 6282-6284
6300 6421 6505-6511
6558-6559 8564 6567-6568
Maturity 15.6.1981
2912-2913 2922-2924 2979-2980
3022

Amount remaining outstanding after June 15, 1982:
$U.S.3,264,000 represented by:
2448 bonds of $U.S.1,000
3264 bonds of $U.S.250

BANQUE INTERNATIONALE A LUXEMBOURG
Société Anonyme
Trustee

Luxembourg.
June 1st, 1982.

MAKITA ELECTRIC WORKS, LTD. (CDRs)

Referring to the advertisement of January 28th, 1982 the undersigned announces that the new shares from 10% bonus have been received. As from June 9th, 1982 the new CDRs Makita Electric Works, Ltd. cum div. cp.no. 28 s.c.a. and talon will be gratuitously obtainable at Kas-Associatie N.V., Spuistraat 172, Amsterdam against delivery of the required div.cps.no. 26.

As to the outstanding CDRs of repr. 50 and 1.000 shs. each, a holder of 10 CDRs of the same denomination is entitled to receive one new CDR of the denomination.

Combination of denominations is possible.

After September 10th, 1982 the equivalent of the CDRs which have not been claimed by the holders of div.cps.no. 26 will be sold. The proceeds, after deduction of expenses, will be held in cash at the disposal of said holders.

Further the undersigned announces that as from 9th June, 1982 at Kas-Associatie N.V. in Amsterdam, div.cp. no. 27 (accompanied by an "Affidavit") of the CDRs Makita Electric Works, Ltd., will be payable Dfls. 3,42 net per CDR repr. 50 shs. and Dfls. 68,40 per CDR repr. 1,000 Shs. (div. per record date 20.2.1982; gross Yen 7.50.th.) after deduction of 15% Japanese tax = Yen 66.25 = Dfls. 0,60 per CDR. repr. 50 Shs. and Yen 1125.— = Dfls. 12.— per CDR repr. 1.000 Shs. Without an Affidavit 20% Jap.tax (= Yen 75.— = Dfls. 0.81 p. CDR repr. 50 Shs. and Yen 1500.— = Dfls. 16.20 p. CDR repr. 1.000 Shs.) will be deducted.

After 20.9.1982 the div. will only be paid under deduction of 20% Jap. tax with Dfls. 3.21 net per CDR repr. 50 Shs. and Dfls. 64,20 net per CDR repr. 1.000 Shs., in accordance with the Japanese tax regulations.

Amsterdam, 26th May, 1982

AMSTERDAM DEPOSITARY COMPANY N.V.

CANADIAN NORTH ATLANTIC WESTBOUND FREIGHT CONFERENCE-CANADA-UNITED KINGDOM FREIGHT CONFERENCE

NOTICE TO SHIPPERS AND IMPORTERS TRAFFIC TO AND FROM CANADA

The Member Lines of the above Conferences operating services between the United Kingdom and the Republic of Ireland and Canadian Maritime, St. Lawrence River and Great Lakes ports would refer shippers and importers to the Press announcement published in February 1982 concerning the deletion of Quebec from the Conference List of base ports.

This matter has again been the subject of consideration by the Member Lines who now wish to advise that the deletion of Quebec as a base port will be deferred until 1st January 1983.

Atlantic Container Line G.I.E.
Canadian Pacific Steamships Ltd.
Dart Containerline (Canada) N.V.
Hapag-Lloyd AG.
Manchester Liners Ltd. } Joint
Golden Cross Line Ltd. } Membership

CANADIAN ATLANTIC FREIGHT SECRETARIAT LTD.
Secretaries.

Cunard Building,
Liverpool L3 1DS
June 1982

GADEK (MALAYSIA) BERNAD
(Incorporated in Malaysia)

NOTICE IS HEREBY GIVEN that the half-yearly debenture interest of 10% per annum will be paid on 30th June 1982 to debenture stockholders whose names appear on the register of debenture stockholders at the close of business on 18th June, 1982.

By Order of the Board
OH KIM SUN
MAK NING KWAI
Secretaries

Ladang Pinji,
Lahat, Perak,
3rd June, 1982.

QUEBEC CENTRAL RAILWAY COMPANY
4% FIRST MORTGAGE DEBENTURE STOCK

In preparation for the payment of the half-yearly interest due August 1 1982, on the above Stock, the Transfer Books will be Closed at 3.30 p.m. on July 9 and will be re-opened on July 22 1982.

W. E. REEVE,
Assistant Secretary.

50 Finsbury Square,
London, EC2A 1DD.
June 3 1982.

F. AND C. ORIENTAL FUND S.A.
Societe Anonyme

Registered Office:
Luxembourg, 14 Rue Aldringen
Commercial Register Section B.No. 16,855

NOTICE TO SHAREHOLDERS

Pursuant to the resolution taken at the Annual Meeting of shareholders held on 22nd April 1982 to pay a 20 cents U.S. stock dividend to shareholders on record on 22nd April 1982 on or after 27th May 1982 other than those shareholders having opted to receive a cash payment by the close of business 28th May 1982 shareholders are hereby informed that as from 27th May 1982 they can obtain 1 new share of the fund against presentation of 93.20 coupons No. 2 at Banque Generale du Luxembourg S.A., 27 Avenue Monterey, Luxembourg. Fractions will be settled in cash.

BY ORDER OF THE BOARD OF DIRECTORS

H. J. HEINZ COMPANY LIMITED

NOTICE IS HEREBY GIVEN that the Transfer Books of the 8% Debenture Stock 1975/84 and the 5½% Debenture Stock 1976/85 of this company will be closed from 17-30 July 1982—both dates inclusive.

Hayes Park,
Hayes, Middlesex.
28th May, 1982.

BASE LENDING RATES

A.B.N. Bank	13 %	Robert Fraser	14 %
Allied Irish Bank	13 %	Grindlays Bank	†13 %
American Express Bk.	13 %	■ Guinness Mahon	13 %
Amro Bank	13 %	■ Hambros Bank	13 %
Henry Ansbacher	13 %	Heritage & Gen. Trust	13 %
Arbuthnot Latham	13 %	■ Hill Samuel	§13 %
Associates Cap. Corp.	13 %	C. Hoare & Co.	†13 %
Banco de Bilbao	13 %	Hongkong & Shanghai	13 %
BCCI	13 %	Kingsnorth Trust Ltd.	14 %
Bank Hapoalim BM	13 %	Knowsley & Co. Ltd.	13½%
Bank of Ireland	13 %	Lloyds Bank	13 %
Bank Leumi (UK) plc	13 %	Mallinhall Limited	13 %
Bank of Cyprus	13 %	Edward Manson & Co.	14 %
Bank Street Sec. Ltd.	14 %	Midland Bank	13 %
Bank of N.S.W.	13 %	■ Samuel Montagu	13 %
Banque Belge Ltd.	13 %	■ Morgan Grenfell	13 %
Banque du Rhone et de la Tamise S.A.	13½%	National Westminster	13 %
Barclays Bank	13 %	Norwich General Trust	13 %
Beneficial Trust Ltd.	14 %	P. S. Refson & Co.	13 %
Bremar Holdings Ltd.	14 %	Roxburghe Guarantee	13½%
Brit. Bank of Mid. East	13 %	E. S. Schwab	13 %
■ Brown Shipley	13 %	Slavenburg's Bank	13 %
Canada Perm't Trust	13½%	Standard Chartered	‖13 %
Castle Court Trust Ltd.	13½%	Trade Dev. Bank	13 %
Cavendish G'ty T'st Ltd.	14 %	Trustee Savings Bank	13 %
Cayzer Ltd.	13 %	TSB Ltd.	13 %
Cedar Holdings	13 %	United Bank of Kuwait	13 %
■ Charterhouse Japhet	13 %	Whiteaway Laidlaw	13½%
Choulartons	13 %	Williams & Glyn's	13 %
Citibank Savings	¶12¾%	Wintrust Secs. Ltd.	13 %
Clydesdale Bank	13 %	Yorkshire Bank	13 %
C. E. Coates	14 %		
Comm Bk of Near East	13 %		
Consolidated Credits	13 %		
Co-operative Bank	*13 %		
Corinthian Secs.	13 %		
The Cyprus Popular Bk.	13 %		
Duncan Lawrie	13 %		
Eagil Trust	13 %		
E.T. Trust	13 %		
Exeter Trust Ltd.	14 %		
First Nat. Fin. Corp.	15½%		
First Nat. Secs. Ltd.	15½%		

■ Members of the Accepting Houses Committee.
* 7-day deposits 10%, 1-month 10.25%. Short term £8,000/12 month 12.6%.
† 7-day deposits on sums of: under £10,000 10¼%, £10,000 up to £50,000 11%, £50,000 and over 11½%.
‡ Call deposits £1,000 and over 10%.
‖ 21-day deposits over £1,000 11¼%.
§ Demand deposits 10¼%.
¶ Mortgage base rate.

WORLD STOCK MARKETS

Wall St mixed at mid-session

AFTER THE recent declining trend, Wall Street made a mixed showing at mid-session yesterday after a fair turnover, with some Blue Chip issues performing better than the rest of the market.

Analysts said the market is deeply oversold and bargain hunting could spur a technical rally. However, the market would probably not show any meaningful gains without some easing in interest rates, they added.

The Dow Jones Industrial Average was up a slight 0.19 at 815.16 at 1 pm, while the NYSE All Common Index eased just a cent to $64.36. Declines edged out advances by a margin of about 50 stocks after volume at 1 pm of 34.92m shares.

Gains among the Blue Chips included General Motors, up ⅛ to $43⅛, Merck, ⅛ to $72⅛, Du Pont, ⅛ to $33⅛, Procter and Gamble, ½ to $84, and International Paper, ⅛ to $35⅛.

The Mesa Petroleum-Cities Service bid battle continued to attract attention. Volume leader Mesa shed ⅛ to $18⅛, while Cities Service, also active, was off ⅛ to $37⅛. Cities Service rejected Mesa's take-over bid of $50 a share.

Oil drilling and Services stocks weakened, with Schlumberger down 1⅛ to $43⅛, Hughes Tool ⅛ to $23⅛, and NL Industries ⅛ to $21⅛.

Snllair put on ½ to $7½, regaining some of the 1⅛ decline on Tuesday. The company could not explain the activity in its stock. First National Boston rose 1⅛ to $24⅛ on news that it plans to buy back up to 1.2m of its shares.

THE AMERICAN SE Market Value Index was 0.76 easier at 264.26 at 1 pm. Volume 2.15m shares.

Canada

Market relinquished part of an early morning rise, with the Toronto Composite index only a net 1.6 ahead at 1,497.6 at noon. Golds lost 12.4 to 1,850.8 and Oil and Gas 0.4 to 2,651.6, but nine of the 14 sub-group indices were still above overnight levels.

Closing prices for North America were not available for this edition.

Tokyo

Weighed down by the yen's retreat against the U.S. dollar, interest rate worries and the continued downward trend overnight on Wall Street, the Tokyo market tended to lose ground yesterday in another light trade, bringing to an end a two-day rally on bargain-hunting.

The Nikkei-Dow Jones Average, up 43 points the previous day, receded 23.76 to 7,344.90. The Tokyo SE index shed 1.36 to 548.46, while volume equalled Tuesday's modest total of 170m shares.

A trader commented that investors are waiting for the economic summit of industrial nations to open tomorrow, as they do not wish to move hastily beforehand.

Light Electricals, Precision Instruments, Pharmaceuticals and Shipbuilders mostly turned easier. Sony slipped Y30 to Y3,570, Canon Y13 to Y787, Ajinomoto Y15 to Y845, Taisho Pharmaceutical Y8 to Y597 and Mitsui Shipbuilding Y6 to Y169.

Heavy Electric Machines, however, held up fairly well, with Hitachi hardening Y3 to Y680. Motors had Toyota up Y10 at Y1,090 but Honda off Y9 at Y717.

Construction companies and Housebuilders declined after news of slower April housing starts, Hasegawa Komuten dipping Y15 to Y565.

Speculative Gold Mining issues were supported, Mitsui Mining and Smelting adding Y9 at Y252.

Germany

Bourse prices closed broadly lower after interest rate uncertainty and a weaker Domestic Bond market erased the small interest buoying quotes earlier in the session. In addition, brokers said professional investors left the sidelines at mid-morning to sell off holdings in this market, particularly in cases where profits could be made.

After the recent good rally by Department Stores issues, Karstadt led the sector down with a fall of DM 6 to DM 204, while Kaufhof lost DM 3.30 at DM 171.20.

In Chemicals, Bayer slipped DM 1.60 to DM 118.70, depressed by news of a U.S.$150m Option Bond.

Banks in particular were depressed by the weak Domestic Bond market, with Deutsche declining DM 2.10 to DM 268.50, Dresdner DM 1.30 to DM 149.70 and Commerzbank DM 1.90 to DM 142.60.

Uncertainty about the U.S. dollar and rising U.S. interest rates undermined Domestic Bond prices, which registered falls ranging to DM 1.00. The Bundesbank bought DM 217m of paper on the Frankfurt market alone, compared to DM 30.8m on Tuesday.

Paris

Shares tended to decline in quiet trading in line with the lower overnight Wall Street trend. Market nervousness ahead of the Versailles economic summit and concern about the international political situation also depressed sentiment.

Australia

The fall in Gold Bullion prices overseas, lower overnight London metal prices and the weaker Wall Street close on Tuesday left Australian markets easier-inclined yesterday and some leading Mining issues sharply lower. However, several Oil and Gas issues were in firmer fettle.

The Australian All Ordinaries index shed 3.2 to 503.1 and the Metals and Minerals sub-group index fell 3.4 to 359.3, although the Oil and Gas indicator edged up 1.8 to 486.9.

In the Minings group, Central Norseman Gold weakened 10 cents to A$4.15, MIM 12 cents to A$2.89 and Bougainville 11 cents to A$1.19, while Western Mining, A$3.48, and CRA, A$3.03, retreated 7 cents apiece.

CSR, which posted a 26.5 per cent after tax profits fall to A$82.4m for the year to March, receded 10 cents to A$2.98, while BHP was 8 cents cheaper at A$7.76.

Trading was dominated by situation stocks, with Bond announcing after the close the sale of most of its stake in Oil and Gas issue Santos for A$136.8m to National Mutual Life Association of Australasia.

This latest Bond deal follows its sale of large holdings in Basin Oil and Reef Oil on Tuesday. Bond lost 2 cents to A$1.35, but Santos was 4 cents up at A$5.60. Basin was steady at A$2.00 and Reef gained a cent at A$1.51.

Milan

Stock prices mostly receded as the market reacted to mounting labour tension triggered by the decision of The Manufacturers Confederation to cancel a 1975 agreement on wage indexation.

As Italy's private industry was affected by a four-hour nation-wide walk-out, sales prevailed throughout causing widespread losses in all sectors. The Banca Commerciale Italiana index lost 1.71 at 176.57.

Hong Kong

The fresh overnight Wall Street decline, worries over the uncertain interest rate outlook and a weakening Hong Kong dollar against the U.S. currency caused Hong Kong markets to retreat yesterday.

The Hang Seng index lost 26.65 at 1,377.62. However, trading remained thin, amounting to HK$180.20m on the four exchanges in the short Wednesday session, against the HK$231.48m recorded in the full day's trade on Tuesday.

Johannesburg

The general downward slide continued, reflecting the lower Gold Bullion price and gloomy forecasts about the South African economy. Trading volume was low, but picked up towards the close.

NEW YORK

CANADA

BELGIUM (continued)

HOLLAND

AUSTRALIA

JAPAN (continued)

DENMARK

FRANCE

ITALY

NORWAY

SWEDEN

GERMANY

AUSTRIA

BELGIUM/LUXEMBOURG

SWITZERLAND

HONG KONG

SINGAPORE

JAPAN

SOUTH AFRICA

BRAZIL

Indices

NEW YORK —DOW JONES

STANDARD AND POORS

NY. S.E. ALL COMMON

MONTREAL

NEW YORK ACTIVE STOCKS

FINANCIAL TIMES SURVEY

Thursday, June 3, 1982

World Shipping and Shipbuilding

Faced with declining profits, today's ship owners and ship builders are having to concentrate on management flexibility, financial sophistication and a more accurate reading of potential markets.

Trying to cope with soaring costs

By ANDREW FISHER, Shipping Correspondent

SHIPPING, as most owners would agree in these fraught times of meagre freight rates and soaring costs, is only for those with the strongest of nerves. Anyone intending to enter the industry might also reflect whether they have some of the followng qualifications: a high degree of financial acumen, a razor-sharp sense of timing, and a robust constitution.

In all the major shipping markets, profits are hard to find and too many ships are being built. A slump on the dry cargo scene has followed a period of prolonged malaise for owners of tankers, especially the sea-going gargantua built before the oil crisis.

There are plenty of other problems, too. The developing nations are pressing ahead with their Unctad (United Nations Conference on Trade and Development)—orchestrated campaigns to share out more cargoes between themselves and to outlaw the handy flags of convenience used by many Western and other shipowners to keep down costs and simplify operations.

The members of the numerous conference groupings, which set the rates on key routes such as the North Atlantic and to the Far East, are finding their joint stability increasingly rocked by competition from cheaper non-conference marauders. Even the outsiders such as Mr Frank Narby's Cast company are finding the going tougher, especially in the midst of their expansion programmes. Cast, controlled in Canada and based in Switzerland, nearly went under this year.

It was saved from sinking with a rescue package of nearly \$200m, put together by its banks and shareholders. Falling dry cargo rates had deeply eroded Cast's cashflow as it was still paying for a number of ships from yards in South Korea and Yugoslavia.

Mr Narby, who does not seem noticeably chastened by his company's recent experience, is hopeful that the combined bulk and container shipping operation will soon recover its former vigour.

But he is not particularly cheerful about the short-term state of the shipping markets. Other shipowners around the world generally share in the pessimism which has gripped the industry during one of its longest and deepest slumps this century. Until world trade, spurred on by steady growth in the U.S. economy, comes to the rescue, shipping is unlikely to shake off this widespread gloom.

There have been healthy side-effects, however. While the idea of economising on fuel and other costs ranker fairly low in priority when bunker prices were around \$20 a ton in 1970, their subsequent rise to well over \$200 — they have eased below this in recent months — has concentrated the minds of shipowners tremendously.

Fuel-efficiency is now at a premium. Engine manufacturers, hull designers, paint companies, and shipbuilders have all played a major part in shaving huge amounts of vessels' fuel costs. The advantages will become even more obvious once markets revive, but today's cargo and passenger carriers are certainly not the fuel-thirsty and fast-steaming ships they used to be.

More and more attention is being paid to the scrapping of ships made uneconomic by depression and changing patterns of trade. The demolition trend is most marked in the big tanker sector where VLCCs and ULCCs (very large and ultra-large crude carriers) are being rapidly sold to shipbreakers in Taiwan, South Korea, and elsewhere. But the steel industry is also in trouble, so the market for scrap steel is flat.

The heyday of big tanker ordering in the late 1960s and early 1970s, before the oil crisis irretrievably changed the economics of shipping and many other industries, is now an embarrassing memory for some owners.

But with well over 100m deadweight tons of tankers surplus to present needs, the present stepped-up rate of scrapping will still leave a few more painful years for tanker operators.

Forty large tankers were sold for scrap last year. Their average age was about 11 years and several of them were equipped with the latest safety and anti-pollution equipment specified by international regulations now coming into force. The number sold represented about 5 per cent of the VLCC fleet.

Owners who reckon that \$4m from a scrapyard is not enough to justify a sale for demolition, or who hope that an upturn may be less far off than generally assumed, have either laid their vessels up in Norway, Greece or the Far East or let them be used for storage.

While some new tankers are being ordered, the future VLCC fleet will eventually be a lot slimmer than at present.

In recent years, the new ordering emphasis has been on bulk carriers, mainly in the hope that coal trades would take off in a big way. Not only has this not happened, but dry cargo rates generally have plummeted since early last year. This has left many owners wondering how they will employ their new ships.

There has been much talk of owners being pushed into requesting delays from shipyards on new deliveries. But this also has a financial penalty.

Outright cancellation is another very costly option. Shipyards such as Denmark's Burmeister and Wain with a successful bulk carrier design in the popular Panamax category —60-80,000 dwt and able to go through the Panama Canal—are in no doubt, however, that they will soon have to find another vessel type once present orders run out.

At this stage, it is hard to see what type owners will be queuing up to order in coming years. It may be that they are overdoing the pessimism at the moment and will react too optimistically when rates take an upward turn. Shipowners have often been described as sheep-like (or lemming-like) in their tendency to indulge in fashionable ordering sprees or bouts of pessimism.

R. S. Platou, the Norwegian shipbroking firm, pointed out recently that as many as 185 Panamax bulk carriers were on order at the end of 1981. Between June 1979 and the same month of 1980, orders for bulk carriers over 50,000 dwt rose from 3m dwt to over 13m dwt. The ordering pace dropped off after the first quarter of 1981, but the ships are gradually being delivered as rates are on the bottom.

This is clearly reflected in the figures for shipbuilding orders. After the oil crisis, order books tailed off sharply until starting a halting recovery in 1979. This continued up to last year when a gradual decline set in.

Across the world, shipyards have cut capacity sharply since the active days of the early 1970s, some more diligently than others.

The Japanese, still the world's largest shipbuilders, feel they have done their fair share of contracting and now see themselves increasingly under threat from South Korea where recent stress has been on expansion.

European shipbuilders, however, still believe that Japan has not cut back enough, a charge that meets with offended cries in Tokyo of misunderstandings.

But both sides are agreed that South Korea provides the main threat to renewed stability in world shipbuilding. Korean yards like Hyundai and Daewoo have obtained weighty orders in the past year or so, including some of the biggest in the world, to date.

Major container ship orders from Europe, the Middle East and the U.S. have gone their way. As non-members of the OECD (Organisation for Economic Co-operation and Development), they are not subject to direct pressure from other major building countries which are members of the Paris-based body.

If both shipowners and builders are paying a high price for past expansion and disregard of economic realities, whether real or approaching, they are now having to concentrate on management flexibility, financial sophistication, and a more accurate reading of potential markets. Today's shipping executive needs to know as much about banking, commodities and international politics as about his own industry.

POSIDONIA 82

THE Greek port of Piraeus becomes the focal point of the shipping world for a week from today when leading personalities and organisations from 45 nations converge for the Posidonia 82 International Shipping Exhibition

CONTENTS

WORLD SHIPPING AND SHIPBUILDING II

Here and on the following two pages, FT correspondents examine worldwide shipping prospects

HONG KONG

More cheerful than most

AN AFFINITY with shipping comes naturally enough to a territory whose 1,000 square kilometres hava virtually no natural resources and whose economy is geared more than any other to international trading. Indeed, the historic purpose behind Britain taking Hong Kong was its potential as a hase for trading up the Pearl River to Canton and along the China coast towards Shanghai.

But Hong Kong's shippers of today look far beyond the local perspective. By 1980, its fleet was second only to the United States, overtaking even that of Greece, according to Sun Hung Kai, stockbrokers.

Hong Kong bas now lost one of its great shipping veterans, Mr C. Y. Tung, who died last month of a heart attack. Sir Y. K. Pao, Frank Cbao of Wab Kwong, and he were the local triumvirate to which a fourth name must now he added—George Tan's Carrian Group, which last year huilt up a fleet from scratch to 1.7m deadweight througb a series of characteristically complex deals which left Carrian in control of the 67-ship Grand Marine Holdings.

Protection

While Hong Kong is generally thought of as a volatile and speculative place for business, its shipownars have generally taken steps to protect themselves as far as possible from the vagaries of the market. Long-term chartering, particularly a now-outmoded relationship with Japanese shipping companies which is known as "sbikumisen," bas been preferred.

The essence of shikumisen was that, wben a Japanese operator required a ship, be would arrange that it be ordered from a Japanese yard hy a foreign huyer who would then charter lt back on a long-term hasis to the operator at an agreed rate of profit to the foreign party. For the Japanese operator, offshora ownership of the ship gave tax advantages, while to the offshore—typically Hong Kong—owner, there was the advantage of a guaranteed income to pay off the ship, and a written-down ship left at the end of the process.

Shikumisen deals peaked 10 years ago but they belped establish Hong Kong as a shipowning centre. The territory's shipping firms must now cope with shorter charters and duller worldwide markets hut they are proving themselves relatively proficient in doing so, not least hecause of the aophisticated financial and communications infrastructure of their home base and its favourabla tax climate.

Hong Kong has also not been too cruely exposed to the floating junkyards which the giant oil-carriers have become. The favoured local fleet vessel is the dry bulk carrier, whose cargoes of grain and coal bave belped to provide a relatively firm market.

Despite the overhang of tonnage, Hong Kong sbipping groups are still huilding and buying, with China proving an interesting potential market for both construction and charters. In sum, things may not be all that cheerful in Hong Kong but they are probably a lot more cheerful than elsewhere.

Robert Cottrell

Sir Yue-Kong Pao—he has the ear of world leaders to a degree that surprises diplomats

Busy Greek tycoon Gregory Callimanopulos also finds time to relax—he likes tennis, scuba-diving, water-skiing and windsurfing

Brilliant manager of ships

SIR YUE-KONG PAO and water have a close and harmonious relationship. Each morning, Pao goes for a methodical, relaxing swim. For the rest of the day, he runs the world-wide shipping gronp which lives np to its name hy spanning the globe from London to Panama and Bermuda to Hong Kong.

Shipping and property are the two worlds in which the good years make possible vast capltal gains from gearing up on assets against modest initial capital.

Sir Y. K. Pao, now 64, fled Shanghai in the 1949 Communist takeover and found in Hong Kong the good years which, within three decades, catapulted him into the first rank of world shipowners, with an 8m ton fleet, held throngh his qnoted company, World International, and perhaps 20m tons in all, counting in his various, unquoted, interests.

It has often been said that Sir Y. K. Pao thinks more like a banker than a traditional ship operator. He has certainly attracted the support of the Hongkong and Sbanghai Banking Corporation, by far the largest local bank, which not only has stakes in Pao's qnoted and unqnoted companies, but has also made him its non-executive deputy chairman.

The bank has stood by Pao for over 20 years now, since be began his empire-huilding in conjunction with the local Wheelock Marden gronp, and then discovered the joys of "shikumisen" as the way to building a fortune on Japanese custom. Now, his eyes are turned back towards his former bomeland, where be has placed newbuilding orders and establlshed a jolnt-venture company.

Pao's greatest public failure has been his abortive attempt to merge his quoted World International with the property-beavy Hong Kong and Kowloon Wharf and Godown. In one legendary weekend, Pao raised HK $2bn to wrest a controlling stake in Wharf from the European establishment. Bnt his attempt to effect a full merger with Worldwide was shot down last September hy minority sharebolders.

That aside, Pao has shown himself s brilliant manager of ships and money, choosing charters to cover capltal exposure. He has the ear of world leaders to a degree that surprises diplomats, two sons-in-law to take key positions in running his businesses, and an undonhtedly vast fortune.

ROBERT COTTRELL

Plans for further expansion

Gregory Callimanopulos, who heads the largest Greek-flag liner fleet in the world, spends six months of the year in New York which be finds "very exciting and stimulating." The rest of the time he is travelling around the world or in Greece, where his Hellenic Lines company is hased.

Hellenic also has a big U.S. office and is nearing the end of a $320m expansion plan to boost its presence in container trades between North America, Europe, the Middle East, Africa and India. Most Greek shipowners are in the tramp business, taking cargoes as and when they come.

Mr Callimanopulos, 46-years old and Princeton-edncated, admits that Hellenic is atypical of Greek shipping. Early next year, after the dellvery of another new ship and four conversions, lt will have 15 full container ships.

Tempting offer

The family also has a tramp operation in Greece with 18 bulk, combination and oil carriers. There are international oil trading activities, too, and an oil and gas drilling company in the U.S. When Mr Callimanopulos took over the operation in 1979 after the death of his father Pericles who built up Hellenic, he decided to diversify. Recently, the group turned down a tempting offer to huy a film company.

Mr Callimanopulos still has his eye on further expansion, looking beyond today's less than thriving shipping scene. Hellenic is contemplating wbether to order three large roll-on/roll-off container ships at $27m each from South Korea, Japan or possibly Brazil. These would be used on existing Hellenic rontes.

The Iran-Iraq war has not helped Hellenic recently. Its ending "would be a great enhancer for the shipping trade." The reconstruction needs of these two popnlous countries could lead to a large amount of new business.

"I'm working too mnch," said Mr Callimanopulos, who misses the close involvement with shipping detail he had hefore the group grew to its present size. He relaxes aboard a 140-ft yacht, the Celestial, if sports like scuba-diving, spear-fishing, water-skiing and windsurfing can he called relaxing. He also likes tennis. "I try to keep fit—in mind and body."

ANDREW FISHER

GREECE

Competitiveness eroded

THE UNION of Greek Shipowners likes to describe the Greek-flag merchant marine as the "taxi service" in the world freight market. Only a few Greek owners enjoy the advantages of fixed-route, fixed-rate conference operations. Most of them live from tramp work.

This underlines the anxiety in Piraeus over preservation of the Greek flag's international competitiveness and the public warning served on the Government by the UGS president Aristomenis Karageorgis—that tha continuing world recession is a threat to the survival "not so much of Greek ahipping as of the Greek flag."

On the one hand, a succession of annual wage increases exceeding 20 per cent has certainly eroded and may have removed the traditional edge in operating costs maintained by Greek shipping over such competing fleets as the British.

On the other, neither the new Socialist Government nor the Conservative administration it ousted last October has been prepared, in the face of resolute opposition from the seamen's unions, to sponsor the covering legislation that would help Greek-flag owners to economise on crewing costs.

In conjunction with an air of uncertainty and nervousness over Government intentions in general, this reluctance to reward Greek owners for their loyalty to the home registry may already be having its first repercussions.

Cautions

Latest Merchant Marine Ministry figures, dated to March 31, show a fall in the previous 12 months of 3.4 per cent in the number of Greek-flag ships and 0.37 per cent in tonnage, from 254 vessels inscribed on the registry and 388 removed. Previously, the tonnage total had heen rising, if only marginally, hecause the ships added were in general larger than those withdrawn.

Owners are cautious in drawing conclusions, partly because of the absence of reliable information on the number of ships taken off the registry for scrapping rather than for transfer to other flags.

Bnt it is helieved that some movement to other registries is taking place and that this could become more pronounced in the next few months unless conditions improve.

The latest figures record a Greek-owned fleet of 4,257 ships of 49.66m tons, with 3,801 ships of 41.45m tons under the blue and white Greek flag and 456 ships of 8.21m tons inscribed on other registries.

At tbe same time it is estimated that nearly 20 per cent of total Greek-owned tonnage is now laid up and awaiting employment.

Under Greek law tax is payable only on ships that are trading, so tbere is obviously nothing to be gained from switching the flag on a ship that is laid up, while fear of sea pollution from idle ships has made local authorities willing to provide anchorages.

In any event, the limited space is not available to ships of non-Greek ownership. There is also a suspicion that even among Greek-owned tonnage the Greek flag indicates better service.

The implication is that the Greek flag may prove a better one for refuge than for trading under whenever the international freight market improves.

Whether an eventual freight recovery leads to an accelerated drift from the Greek flag will depend to a large extent on Government actions meanwbile. There is no doubt that Greek owners are carefully examining their options, even if they are not currently moving out of the registry in significant numbers.

After some uneasy first encounters, shipowners have now regained their confidence that their contrihution to the Greek economy in terms of employment and foreign exchange inflows is appreciated. They bave received a series of assurances both on general and specific issues.

They have been told, for example, on the question of the "genuine link" issue—ownership, flag and company—that they have no cause for anxiety and they have received promises that two Bills now before the Greek Parliament will he amended along the lines they have suggested before enactment.

One Bill, on investment incentives, would place difficulties in the way of continued ship-financing out of Piraeus, the port of Athens, through an article that may have been worded "inadvertently." Another, on trade union freedoms, is seen as opening the way to a Communist take-over of the seamen's unions.

The Government has been told of the owners' "grave concern" about the union legislation, whicb as drafted would enable a strike to be called by a union meeting in Piraeus. Observing that nine-tenths of a union's membership is at sea at any one time, the owners insist that a strike call should require a canvass of all union members—and even then should be for a restricted area, as under British law.

The Bill as drafted, the owners say, would permit a relatively small group of union members politically affiliated to the extreme Left to obtain disproportionate power.

The owners are waiting to see wbether the asurances offered on such issues as there will be transformed into legislation that will help to re-establish an industrial relations climate in which the Greek registry can continue to flourish. The crewing issue has to be examined in in this context.

Greek law sets a maximum 25 per cent alien proportion of crew in a Greek-flag ship. While this may work out in practice at a 40 to 50 per cent alien proportion of lower-deck seamen (the officers are almost invariably Greek) it still hinders effective implementation of the bilateral crewing accords already signed with the seamen's unions of a number of developing countries.

Victor Walker

PROFILE: ATLE JEBSEN OF NORWAY

Man on the move

ATLE JEBSEN, 46-year-old president of the Norwegian Shipowners' Association and chairman of the country's shipping employers' organisation, leads a family shipping and business empire, beadquartered in Bergen, with offices scattered all over the globe. A typical working week could see him in London on Monday, New York on Wednesday, and Oslo on Friday.

A genial cosmopolitan, Jebsen speaks perfect English — probably reflecting the thrae years he spent reading economics at Queen's College, Cambridge, from 1956 to 1959.

Some of his earliest business experience was gained during the long vacations, when he worked in the UK offices of the family shipping company. Today, about a third of the Jebsen fleet is UK-registered, and the group's offshore drilling subsidiary, Jebsen Drilling, is UK-based.

Jebsen's shipping education started long hefore his university years—he says the business fascinated him from childhood, wben his father would take him down to the quayside to visit tbe family's ships, and breakfast table conversation would ha about freight rates and market trends.

Fate put him at the helm of the family business — Kristian Jebsen's Rederi—when he was only 32, following his father's death, in a rallway accident.

The company has flourished under his leadership — among other things, unlike many of his Norwegian colleagues, be moved out of the supertanker trade in good time. Four large tankers were sold in 1967, and the company's last 90,000 tonner was disposed of in 1969.

Since then, the Jebsen fleet has consisted mainly of small bulkers, from 30,000 to 40,000 tons. At present, all are working—and making a profit.

Jebsen insists, however, that this is not only dne to good management—"there is a strong element of luck in the shipping game," he says.

Bargaining

As president of the Shipping Association, Jebsen has the task of hargaining with the Norwegian authorities for an improvement in the industry's working conditions — greater freedom to operate under foreign flags, for instance, and less stringent manning regulations.

Even though Norway now has a Conservative Government, tha climate is not favourable for concessions—the Hilmar Reksten shipping scandal has tarnisbed the industry's image in the public minds.

Jebsen feels this is unfair, but takes it in his stride—"we are making some beadway." He appears to enjoy every facet of his work—and has energy left over for a variety of strenuous sports, from jogging, squash and skiing to elk hunting and salmon fishing.

FAY GJESTER

JAPAN

Moves to cut crew levels

JAPAN HAS one of the largest merchant fleets in the world, accounting for about a tenth of international shipping. But in the past few years, a growing number of the vessels used by shipping operators has been chartered. By 1980, it had reached nearly half against under a third 10 years before.

Fleet sizes differ considerably depending on how they are measured and who measures them. Lloyd's Register of Shipping put the size of the national flag fleet at nearly 41m gross tons last July, a slight drop over the previous year. This compared with 75m tons for Liberia, the world's largest fleet but a flag of convenience country, and 42m for Greece.

Like all developed countries, the Japanese have found shipping to be an increasingly high-cost operation. So the Government and shipowners have been working on ways of lowering crew levels and stimulating the development of newer and more efficient types of cargo vessel.

Up to April this year, the Government granted a special interest rate subsidy to encourage owners to order new ships. In part, this reflected official concern that too many chartered ships were coming in to augment those under the national flag. In the last year of the three-year programme, only energy-carrying ships such as gas, coal and oil carriers were eligible.

Japanese owners have made great strides in developing advanced shipping methods, although these are not always easy to get through the unions. So-called "M-zero" ships, where unmanned operation of the engine is possible, represent about two-fifths in number and three-fifths in tonnage of total Japanese flag vessels.

A special committee was set up with government, industry and union representatives to see what could be done to rationalise crewing operations. After a year of what the Japanese called "experiments by shadow play," crews of 18 people are being tried out on cargo ships which had previously had 22 people. Some 14 ships are being used for this.

Japanese shipbuilders, in their search for increased technological strength, are studying how ship operations can be more highly automated and also how building methods can be made more productive. How this will spill over into the way the fleet is run remains to be seen.

Certainly, both the Government and shipping companies are keenly aware of the industry's importance for a country needing to import such quantities of vital raw materials and energy.

A.F.

NORTHERN EUROPE

Battle against high costs

THE HIGH COST fleets of Northern Europe are struggling hard to stay competitive. With the tanker and dry cargo markets in a slump and world trade recession affecting major container lines, they are more and more emphasising quality against quantity. Only through more sophisticated ships and methods of management, the argument goes, can an adequate earnings base be maintained.

Reacting against the high level of crew and other costs when set against the other major shipping areas like Hong Kong, countries such as Norway, Sweden, West Germany and the UK have been trying to reduce manning as much as possible.

Flagging out or using cheaper flags, often in partnership with operators elsewhere, is another strategy followed or contemplated by companies.

Norway and Sweden are the countries which have achieved most in lowering manning numbers. Union leaders in Norway reckon crew levels in other fleets are at least 25 per cent more than those in their own country.

West Germany is also experimenting with lower crews. In Britain, where the size of the fleet has dropped alarmingly since the mid-1970s, shipowners are looking closely at working with smaller crews.

Unions' views

Not surprisingly, seafarers' unions tend to resist moves to speed up any reduction in their numbers. But rising unemployment at sea has a double effect. While unions are against adding to this through manning cuts, they have to weigh up companies' views that these are often necessary to keep their operations in the black.

In Norway, much of the current shipping talk is of flagging out. But major owners are wary of such flags of convenience as Liberia and Panama, mention of which tends to stir up strong emotions in developing countries.

Instead, they are likely to choose registries which have not been framed just with the idea of enabling owners to cut crew costs and taxes.

About one-twentieth of the Norwegian fleet is currently flagged out, but the proportion could rise much higher in the next few years. Norway has a merchant fleet of some 38m deadweight tonnes.

In Britain, the 29m dwt fleet—down from 50m in 1975—accounts for just over 4 per cent of the world total, less than half its share of six years ago.

Investment has slackened off sharply in recent years and the industry wants the Government to sit up and take notice, mainly in the form of fiscal incentives to order new ships. The Falklands crisis has highlighted the importance of a healthy fleet in defence terms, and the industry will certainly try to capitalise on this in coming months.

Andrew Fisher

PROFILE: LORD INCHCAPE OF P & O

An emphasis on flexibility

BRITAIN'S biggest shipping company, Peninsular and Oriental Steam Navigation (P & O), has been pitched about on some rough financial seas in recent years.

Its chairman during these stormy times has not been a back-slapping extrovert of the type often associated with the shipping world, but a diffident Sussex-born Scotsman.

Kenneth James William Mackay, the third Earl of Inchcape, was born two days after Christmas nearly 65 years ago, and educated in the traditional fashion of his class at Eton College and Cambridge University where he studied law. Somewhat owlish in appearance, he does not take easily to the glare of publicity and P & O has had plenty of that in its time.

Underneath Lord Inchcape's reticent manner, however, there is a toughly determined approach to business. He believes less in management techniques than in pragmatism, with individual managers ideally allowed to operate freely in line with stated board objectives.

"Survival and growth depend to a great extent upon flexibility," he feels.

For more than a year, Lord Inchcape has been non-executive chairman. He was at the executive helm for 2½ years from autumn 1976 after P & O's profits had slumped and its debts were soaring. Having invested £400m in new tonnage, it was being hurt badly by the shipping recession.

Lord Inchcape, who also runs the Inchcape trading group, became P & O's chairman in January 1973 after strongly opposing the abortive merger with Bovis.

P & O later took over the construction group itself. Sandy Marshall, who became chief executive and had also been against the merger, later became a casualty of Lord Inchcape's firm grasping of the reins.

He left with a large golden handshake in 1979 after the group shifted from expansion to survival. It sold major oil, shipping and property assets and saw borrowings fall to a more manageable level. Profits remained erratic, though the 1982 result brought less of a decline than expected after a strong second half.

The group felt confident enough to order a new £80m cruise ship from Finland this year. But the Falklands crisis has disrupted operations as four ships, including the Canberra and Uganda cruise liners, have been called up by the Government.

While Lord Inchcape, a lover of outdoor pursuits such as riding and hunting, may prefer to avoid the glare of publicity, P & O itself is in no position to do so. Last year, it was persistently rumoured that Hong Kong interests were on the takeover prowl.

A.F.

MOVES TO CHANGE REGULATIONS

Attitudes are hardening

ATTEMPTS to radically restructure international shipping in keeping with the principles of the "new economic order" are gathering pace. The elements for an international regulatory framework covering all the fundamental aspects of shipping are on the agenda of Unctad's (United Nations Conference on Trade and Development) shipping committee. However, the progress made so far disguises a hardening of attitudes on all sides.

International, as opposed to national, regulation of the commerce of shipping is a relatively new phenomenon spearheaded by two UN bodies. The International Maritime Organisation (IMO) deals with technical and safety issues and is beginning to have considerable success in getting its international conventions into force. Unctad's shipping committee is becoming the ground for an increasingly bitter confrontation between the Group B developed countries, on the one side, and the Group of 77 developing countries and the socialist bloc on the other.

At issue is the means by which developing countries can increase their participation in world shipping. The target is 20 per cent by 1990.

In brief, the developing countries believe there are structural barriers to their increased participation necessitating a legal regime guaranteeing them shares of their own trade, and other kinds of support, while their infant and often sickly shipping enterprises find their feet.

The three major elements of the regime being pushed at Unctad are: a code of conduct for liner conferences to guarantee equal flag shares in the liner trades for bilateral partners; some similar protective measure for bulk trades; and the ending of the open registry or flag of convenience system. The liner code is almost on the books. The European countries are on a co-ordinated schedule for the necessary national enabling legislation.

The reason for European acquiescence, albeit reluctant, is that it largely legitimises the status quo. The Europeans expect OECD countries, who account for the lion's share of liner trade, to display the code by reciprocal agreement. In many of the other trades, developing countries have already unilaterally reserved cargoes for their flag vessels. On the other hand many developing countries do not have, and will not have in the foreseeable future, enough ships to carry their theoretical entitlement under the code (40 per cent shares are suggested for bilateral partners with the rest for third flag carriers).

However, things are rather different with the open registry question and bulk cargo sharing, where Group B are less inclined to compromise. Open registry tonnage has grown considerably over the past decade from roughly 20 per cent of the world fleet to more than 30 per cent.

The developing countries hold that the massive investment represented by open registry tonnage would have gone into developing country fleets if there had been no open registries. They, backed by the socialist countries, wish to establish an international convention on ship registration which would create a genuine link between vessel and country of registry. This would consist of establishment of the shipping enterprise in the proposed country of registry.

On the economic side, the Group B countries believe the open registry system has provided cheap transport and a free market in the bulk trades as well as a traditional presence in shipping that they could not have maintained operating solely under their own flags. Elimination of open registry together with the linked issue of bulk cargo reservation would only increase transport costs which would hit developing as well as developed countries. In the liner market with its fixed schedules and routes and often roughly balanced two way trades, bilateral cargo sharing need not be too painful. In the bulk trades it would be disastrous since few bulk carriers work shuttle services and those that do normally travel empty on one leg. The need for developing countries, particularly large importers of grain, to acquire bulk tonnage to avoid crippling foreign exchange payments on chartered tonnage is recognised.

On the domestic regulatory front, but nevertheless with enormous international ramifications, important changes are pending in the way liner shipping is regulated in the U.S. trades and in the EEC. Proposed legislation going through the U.S. Congress with the blessing of the Reagan Administration, would legalise closed conferences in the liner trades. This would bring the U.S. trades in line with the rest of the world. Previously, anti-trust philosophy has only allowed a looser arrangement of lines—open conferences—and even these have been the subject of increasing pressure from the Department of Justice in the last decade. The result had been a serious conflict between the U.S. and its trading partners.

At the same time the EEC has been obliged to apply the competition rules of the Treaty of Rome to shipping. How this is to be done has been the subject of an agonised debate between the industry, the shippers, and the EEC Commission for several years.

Ian Middleton

WORLD SHIPPING AND SHIPBUILDING IV

Enginemakers are aiming for designs that cut oil consumption

Fuel costs slow the speed

SHIPPING COMPANIES are hard pressed to make money these days, but saving it has become a top priority as freight rates stay low and operating costs increase.

Ships are rarely designed for speed now; economy takes pride of place. Engine-makers have made important strides in the area of fuel efficiency. Designers have ensured that hulls are smoother, while special paints have been developed to minimise friction.

With fuel oil prices showing massive leaps since the 1973 oil crisis, shipowners have been forced to look closely at costs.

For many of them, the message was slow in getting through. But major diesel engine manufacturers like Sulzer of Switzerland and Burmeister and Wain (B&W) of Denmark have had worldwide success with their economy designs, which are being steadily improved.

Shipowners are also keen to save on manning costs, a more sensitiva area in view of declining employment for seafarers, especially in the West.

Swedish and Norwegian companies have successfully introduced lower crew levels on ships—after specially designed to need fewer people — and West Germany is also experimenting along these lines.

In Britain, progress has been less rapid, though the industry is promoting the idea actively.

Compared with engines of seven to 10 years ago, the new generation offers a sharp drop in daily fuel consumption for a ship of up to 28 per cent, said Mr Peter Sulzer at this year's Seatrade Money and Ships conference in London.

The executive vice-president of Sulzer International made the point, however, that "fuel saving has its price." More efficient engines cost more money and the shipowner has to balance this against the potential fuel savings.

At the turn of the year, Sulzer proudly announced its new RTA Superlongstroke engine, which it claimed could knock a further 10 per cent off vessels' fuel bills.

The engine will be about 12 per cent more expensive than a comparable one from the present range. But since the engine accounts for about a tenth of the total ship cost, the ultimate extra expenditure would be relatively small. The RTA is also shorter.

A riposte

Sulzer's new design has drawn a snorting riposte from B & W Diesel in Denmark. It charged the Swiss group with adopting B & W's long-established uniflow system and abandoning its own loop-scavenging method. (The terms refer to the way air and gas moves around the engine.)

Sulzer, advertising its new engine with an axe slicing through fuel bills and consumption, is maintaining a dignified Swiss stoicism about the aggressive poser from B & W (now part of West Germany's M.A.N.) — "Can our major competitor avoid teething troubles when finally converting to the superior Uniflow Scavenging System?"

Sulzer says its design has been well received, especially by the Japanese. Altogether, 15 RTA engines are now being built, two by Sulzer itself at its Winterthur headquarters.

Mitsubishi, a licensee, said recently that it had firm orders for six RTA engines and intended to be the first to complete one next March. Sumitomo and Ishikawajima-Harima Heavy Industries (IHI) are also on the list of constructors as is Yugoslavia. China has expressed interest in buying as well.

What about the viewpoint of shipowners? Ever since the oil crisis, it is diesel rather than the more fuel-thirsty steam turbines which have been at the forefrout.

Up to 1973, according to Mr John Parker, deputy chief executive of British Shipbuilders, at the Seatrade conference, "we saw the larger merchant vessels vying with capital naval vessels in both size and speed, with container ships as big as aircraft carriers and running at over 30 knots."

Major container lines have since been re-engining their ships with modern and cheaper diesel systems.

Savings can also be made on the passenger side. P & O is installing an engine of French Pielstick design on its expensive new cruise ship to be built in Finland. Older passenger liners, designed to go long distances at great speed, have engines which are very costly to run at today's fuel prices.

One leading Hong Kong owner, Mr Frank Chao, president of Wah Kwong, has spelled out just how big a saving in fuel use can be gained with a B and W engine against a steam turbine.

He took, as an example, a 260,000 deadweight ton tanker—the type of ship now increasingly redundant in shipping markets—built in 1973. With steam turbines, it would use about 170 tons of fuel a day at full speed. With the diesel, it would be 95 tons for a saving of 75 tons worth around $13,500 daily or $405,000 for a long voyage.

Depressed

Big tankers rarely operate at top speeds in these days of depressed tanker markets. But the scope for savings on all types of ships is impressive. Mr Chao detailed the lessening in fuel costs that slower speeds could bring. Wah Kwong has put special SPC (self-polishing coating) paints on its huge car carrier, European Venture, and on its 263,000 dwt Hitachi Venture, the largest dry bulk/ore carrier in the world.

Propeller designs are also highly significant in cutting down fuel consumption. Large propellers move more water at slower rotational speeds, giving more efficiency. Mitsui has developed an integrated duct propeller (MIDP), with the duct fitted in front of the prop for improved flow. Again, Wah Kwong has fitted these on three Japanese-built 126,000 dwt coal carriers. Mr Chao reckoned that MIDP reduced fuel consumption by 3-7 per cent.

There is no shortage of other design ploys aimed at curbing fuel use. Mitsubishi has come up with a reaction fin which goes in front of the propeller to recover part of the energy of the rotational wake and can save around 5 per cent of power. Savings have also been made by special hull designs such as the bulbous bow.

The growing use of computers to link design options with shipowners' exact requirements and ships' potential earning power has wrought major changes in how vessels are planned and built.

Burmeister and Wain, the Danish yard which works closely with B and W Diesel though no longer under the same ownership, has had a successful run with its economy bulk carrier range. British Shipbuilders has a new 45,000 dwt economy design for which it hopes for more orders.

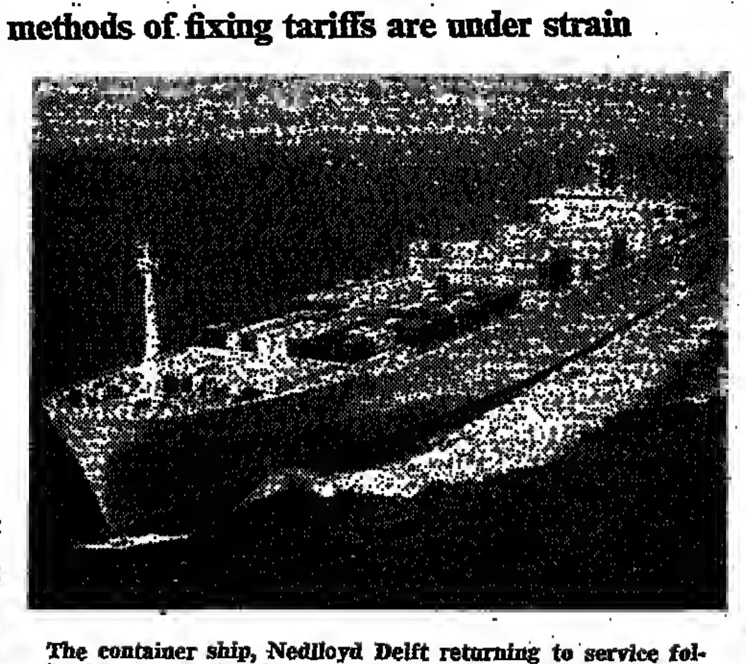
Japanese shipyards are also putting heavy emphasis on fuel-efficiency and newer design techniques.

For all builders and designers, though, the main task is to persuade more owners to invest in economy. While shipping markets are poor, the choice is one of spending to save or of saving by operating older, already depreciated ships, for a while longer.

Andrew Fisher

Why traditional methods of fixing tariffs are under strain

Sorting out the liner code



The container ship, Nedlloyd Delft returning to service following re-engining from turbine to diesel. Her sister ship, Nedlloyd Dejima is also undergoing conversion and due back in service shortly.

WORLD seaborne trade in tht decade 1970-80 rose 44 per cent. In the same period shipping capacity increased 110 per cent. This stark if oversimplified comparison shows why shipping generally is in a parlous state. It would be idle to pretend that the liner sector has suffered to the same extent as the tanker and dry bulk sectors, but increasingly complex pressures, economic and political, have made profitability thin and even negative on the major trades.

Major advances in economies of scale and handling methods have created their own problems in terms of the amount of capital investment needed in modern liner shipping, while national and international legislation threaten to transform a traditionally self-regulating industry into a highly regulated one.

The traditional closed conference system which has operated for more than a century in trades other than the U.S. appears to have been legitimised both by the imminent coming into force of the Unctad (United Nations Conference on Trade and Development) Code of Conduct for liner conferences, and the Reagan administration's support for establishment of closed conferences in the U.S. trades. Nevertheless, increasing militancy on the part of importers and exporters and the rapid growth of a new breed of outsidere committed to non-conference operation, threaten conference domination of the liner trades.

Closed conferences are groupings of lines serving a particular trade which fix common tariffs and sign contracts with shippers who are rewarded for their loyalty with discounts on conference rates. Other lines operate as independents or build up a share of a trade and then negotiate for conference membership. Such cartel-like arrangements, have often, naturally, been viewed by governments with considerable suspicion.

However, they have been allowed to operate largely by self regulation except in the U.S. trades where anti-trust authorities forced a looser and highly regulated arrangement. The main reasons are that in order to get the long-term commitment necessary for strategic and economic security, countries have conceded the need for operators to have a degree of guaranteed financial stability. At the same time the lines compete with each other on service and shippers can always have recourse to independents to keep the conferences on their toes.

The rapid advance of containerisation from the late 1960s onwards, was the first new development to put a strain on conference organisation. When was the right time to containerise a trade? How was the considerably increased capital requirement to be met? The answers led to the growth of consortia of like-minded lines within the conferences. They pooled their resources often establishing a separate corporate entity as in the case of the UK's OCL (Overseas Containers Ltd).

The oil crisis which dealt such a savage blow to the tanker market, at first seemed to have had little knock-on effect on the liner sector. In fact the recycling of petro-dollars led to a boom in liner trades, particularly to the Middle East. However underlying trends were working against the liner operators. Order-starved shipyards built ships at give-away prices. Smaller bulk carriers were forced into the liner market by severe overcapacity in the bulk trades, while a slice of traditional liner cargoes slipped into the neobulk category. A new type of combined bulk and container operation started in which if you could pay for the ships with bulk carriage you could offer out rates on containers as icing on the cake. The result is that the highly rationalised liner sector is nevertheless running 20 per cent over-capacity.

Hard decisions

Meanwhile, oil price increases forced the operators of fast turbine powered container ships into aome hard decisions to re-engina with more economic diesels, or embark on massive replacement programmes with new fuel efficient ships. Currency instability meant profits could be wiped out by exchange losses as tariffs are mostly denominated in dollars while expenses are in a variety of currencies. Importers and exporters, themselves hit by recession, have become increasingly militant and their organisations increasingly effective in winning deferrals or reductions in proposed conference rate increases. Subsidised and otherwise government-backed lines have won a growing share of the traffic.

The developing countries want a greater participation in the carriage of their trade, and though their chosen instrument the Unctad Liner code has yet to come into force, many hava anticipated its cargo sharing provisions by reserving cargo unilaterally for their national lines.

Independents like TFL and Cast on tha North Atlantic, ABC from Australia to the U.S. and Europe, Evergreen of Taiwan on the Far East/Europe trade and others have presented a new kind of threat. They are committed philosophically to non-conference operation and are either backed by more substantial financial resources than the host of independents that have come and gone before them, or are offering unique service features. They seem to have in common a belief that conferences have become too unwieldy and bureaucratic for shippers' needs and their own operating inclinations. Shippers appear to agree. Many of the conferences have so many members, such a wide range of interests to consult on major decisions, such a complicated and often archaic tariff structure, and they are unable to react quickly to changing conditions in the trades.

Aware of this, the conferences have been trying to reform themselves. Emergency-rating committees consider shippers' requests for special rates where the rate is the determinant of whether a commodity moves or not. The conference tariff structure with its thousands of rates, many based on distinctions owing more to the days of sail than containers, are being simplified.

Despite the tougher regulatory and competitive environment, the major consortia could have faced the 1980s with reasonable confidence. However the over-capacity threatens to get worse before the recession lifts sufficiently to generate the extra traffic.

The writer is editor of Seatrade.

Ian Middleton

An aggressive newcomer, South Korea, is worrying Japanese and European yards

New rival for orders

THE WORLD shipbuilding industry has lost its footing after the recent brief recovery and is slipping backwards again.

Having suffered hefty financial losses and deep cuts in capacity after the oil crisis hit order books, many yards had been hoping for a steady recovery to continue the progress made since 1979.

But this is not to be. Order books began to weaken late last year and the first few months of 1982 show no signs of improvement. Even the Japanese, the world's largest builders, are feeling the pinch.

In western Europe, some companies have taken refuge in specialisation, others have been propped up by governments, and some have survived by judicious pruning and thorough-going re-organisation.

The Japanese and Europeans dominate world shipbuilding, but both have been made highly nervous by an aggressive new rival—South Korea. The latter is now the world's number two shipbuilder and has been expanding while the emphasis elsewhere has been on contraction. Korean yards now account for more than 8 per cent of the international order book.

Criticism of the Koreans has been rife from both Japan and Europe. Major Japanese yards have seen a number of big orders go to their Far Eastern neighbour where such companies as Hyundai and Daewoo have invested heavily in new facilities. During 1981, Japanese companies tendered for construction of over 40 large ships in 13 separate orders put out to international bidding. They did not win a single one.

Since Korea is not a member of the Organisation for Economic Co-operation and *Development* (OECD) in Paris, other nations cannot easily put pressure on it through the regular working parties in the industry. But they have made their views known.

In reply, Korean officials state that their orders too have diminished, even though they have landed some big ones in the past year or so.

Last year, about 17m gross tons of new orders were placed at world yards, according to Lloyd's Register. This was nearly 2m tons down on the previous year, though actual output was some 3.5m tons higher at 16.5m.

While total order books are way below the peak levels of the early 1970s—the record was 133.4m tons in March 1974—

World shipbuilding orders (million gross tons at end-March)

Japan	11.8 (−0.80)*
S. Korea	2.8 (−0.20)
Spain	2.2 (−0.09)
Brazil	1.8 (−0.20)
Poland	1.4 (+0.02)
UK	1.1 (−0.08)
Yugoslavia	1.0 (+0.20)
World total	33.7 (−1.60)

Source: Lloyd's Register
*Decline on previous quarter

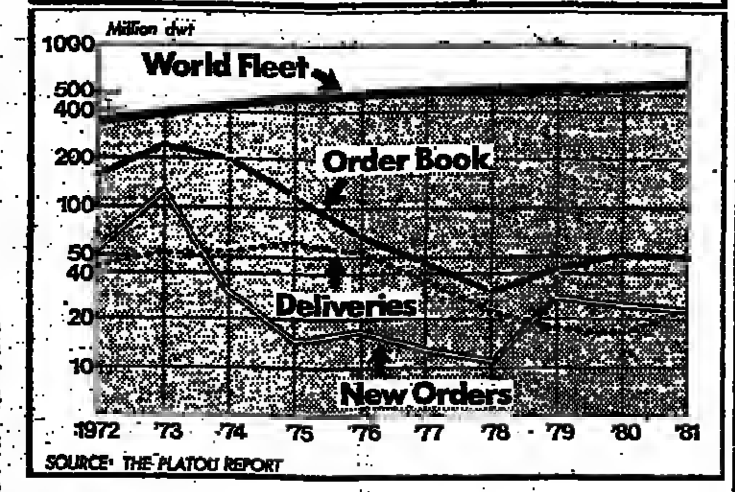
there had been hopes that the pick-up from the bottom in 1979 heralded a more cheerful future for the industry.

Shipping markets are, however, in decline. World trade has eased during the recession and past optimistic ordering, especially of dry cargo vessels, means the surplus of merchant ships will become even more acute in the next two years. Recognition of this began to affect the new order pattern in the shipbuilding industry around the middle of last year.

The lowest point reached by the industry's order book was just over 25m gross tons in the first quarter of 1979. The subsequent revival left it more than 10m tons higher after the same period of 1981. By the middle of last year, it had risen slightly more to nearly 37.5m tons.

The decline set in after that, with the figure for March of this year down to 33.7m tons. Most of the major shipbuilding countries have been affected. Japan's total order book, still over a third of the world figure, has been slipping for some time and fell a further 840,000 tons over the three months to 11.8m tons. Korea's fell 212,000 tons to 2.8m.

SHIPBUILDING STATISTICS & WORLD FLEET 1971-81



SOURCE: THE PLATOU REPORT

The Ministry of Transport in Tokyo recently stated that Japan's *new shipbuilding orders* fell by a tenth in the fiscal year to March 31 to 8.4m gross tons. The market had expanded early in the year, but then tailed off substantially. "No signs of recovery have been seen to date," it commented gloomily. Over the next few years, government estimates show that Japanese yards will still be working below capacity.

The country's official anti-recession cartel, aimed at limiting output in line with depressed world demand, ended in April. But the Government does not want yards to start further costly expansion races by going for volume at the expense of earnings. Despite sharp cuts in Japanese yard capacity, many European shipbuilding companies feel these have not been deep enough, especially in view of Japan's previous expansion before the oil crisis hit the big tanker market.

For their part, Japanese Government and companies argue that their reductions have been sizeable both in manpower and in yard facilities. Cuts of around 35 per cent were made in capacity and the number of building berths went down from 138 to 88. Some yards were filled in and others switched to other activities entirely such as ship-repair, engineering assembly, or container manufacturing.

Japan still has some highly modern yards, however. Total output in the Japanese shipbuilding industry is expected to be unchanged this fiscal year to end-March 1983 at some 5m compensated gross registered tons. For the following two years, the Ministry of Transport expects it to slip to around 4.5m cgrt, a measurement which takes more account of the skill and time involved in *building different ships.*

By the 1985 fiscal year, output should be moving up again to present levels. Some Japanese companies feel the Ministry's estimates, intended as a reference point rather than a firm guideline, are too optimistic.

Faced with a generally bleak outlook for the industry shipbuilding companies have had to think hard about how they can keep going. Some, like Finland's Wartsila, have opted for specialisation, aided by major Soviet contracts. Wartsila has built up a healthy order book of ice-breaking and ice-strengthened ships and has also established a profitable niche in the cruise ship market.

Fuel efficiency

Nearly all major worldwide yards are doing their best to meet shipowners' growing desire for more fuel-efficient ships. Burmeister and Wain of Denmark is well into a successful run of economy bulk carriers, while British Shipbuilders has also developed new designs.

Shipbuilding, as even a casual glance at the order figures shows, is far from being the growth industry it once was. The trend now is to find a promising area of the market and stick with it firmly.

Andrew Fisher

A gloomy 1983 threatens number two in the world league

Waiting for an upturn

SOUTH KOREAN shipyards, like others around the world, are being hit by the fall-off in new world shipbuilding orders.

Up to the end of April, orders for only 19 ships totalling 100,000 gross tons and worth just under $200m had been booked this year, according to the Ministry of Commerce and Industry. This was well down on last year, when $769m worth of orders for 501,000 tons entered the order books in only the first quarter.

Of Korea's four big yards, *Hyundai Heavy Industries* has gained new orders for four ships totalling $48.4m, while Samsung Shipbuilding and Engineering has received two at $69m.

This leaves both Daewoo Shipbuilding and Heavy Machinery and Korea Shipbuilding and Engineering with no firm orders so far this year. Seven smaller yards have had new orders for 13 vessels.

But there are two big orders waiting in the wings that have not been reflected in new order figures, since final contract approval has still to be given. Hyundai is expecting a firm order soon from Barber Blue Sea, a European grouping, for seven big roll-on/roll-off container ships. This would comprise a firm $200m order now and four to be built later.

Daewoo is wrestling with the financial conditions of its recent agreement with U.S. Lines for 14 container ships valued at $770m. This order would almost triple the orderbook for Daewoo's Okpo shipyard, inaugurated last autumn, which currently has $488.9m in contracts for 17 ships.

Healthy orders

The total order book for the industry is still healthy, but it will run down this year, making for a gloomy 1983 after the first quarter unless the shipping and shipbuilding markets improve. Ministry of commerce and industry figures place the order book for Korea's 11 shipyards at $3.3bn for 134 ships at 2.4m gross tons. Hyundai has had two recent worries on its order books, with delayed delivery requested. But both orders have stayed on the books.

Government plans for expansion of total shipbuilding capacity from 4m gross tons to 6m in the Fifth Five-Year Economic Plan (1982-86) have been shelved, according to industry officials due to weak market conditions and poor prospects.

Offshore structures continue to take up some slack in shipyard capacity, but demand for these has also eased with the oil glut and more stable oil prices reducing the need for new drilling operations.

Daewood has a total of $565m in contracts for offshore structures and Hyundai has $200m. Both are also moving into production of industrial plant but the competition is stiff and well established from industrialised countries.

Daewoo has a $150m salt water treatment plant for Alaska under contract, in addition to a $120m polyethylene plant for Al-Jubail, Saudi Arabia.

Hyundai is optimistic about landing three large turnkey projects soon in conjunction with a foreign engineering firm. Company officials explain that although Hyundai's reputation is better now for complicated plant facilities, the market is not good.

Korean shipbuilders are waiting for an upturn that they hope will occur before the yards experience serious cutbacks.

Ann Charters

Operators face a sharp rise in Caribbean capacity by 1985

Optimism in cruise market

EVER SINCE airlines came to dominate major routes, ships have taken a back seat on the passenger market.

The days of elegant liners sailing several thousand miles on scheduled journeys have gone. Nowadays, the big ships are mainly on luxury cruises, though some are aimed at less bulging pockets. Most people, if they have been on a passenger ship, will have taken short trips across the English Channel or other manageable stretches of water to reach a foreign holiday destination.

One look at a top cruise company's brochure with its glossy pictures of golden beaches, swaying palms, succulent food, and sybaritic accommodation will persuade the average holidaymaker that all this is way above their income bracket. A quick look at the fare list will confirm this. But several companies are confident enough of future growth, especially in the dominant U.S. market, to be investing heavily in new ships.

Ferries, too, do not come cheaply, and can cost some $40m. Some are virtually mini-cruise ships themselves, especially around Scandinavia. A number of the world's biggest ferries, like the Finnjet, operate from Finland across the Baltic to North Germany or Sweden.

But it is cruise ships which really run away with shipowners' and banks' money. It costs well over $100m to build one of these today. Britain's *P & O Cruises*, after long deliberation, has decided to pay out some $150m for a vessel to be built by Wartsila of Finland.

Already this year, one brand new cruise ship, the Tropicale, has been delivered to Carnival Cruises for the American market. Carnival wants to build more ships, each carrying around 1,400 passengers.

Home *Lines* now *has* the Atlantic in service, while Scandinavian World Cruises, part of DFDS of Denmark, will introduce its $100m MS Scandinavia into the Caribbean in July. As well as 1,600 passengers, this ship will have capacity for 400 cars.

Norwegian American Cruises, which has two luxury vessels on various world cruise routes, is pondering whether to build a new ship. P & O, which had two passenger ships taken for Falklands service, also has options to build further vessels in Finland. This summer, it brought up the Sea Princess from Australia, gave it a £2m refit in Southampton and sent it off on a Mediterranean cruise. West Germany's *Hapag-Lloyd* began cruises with its new Europa ship last winter.

Investment and optimism is not all, however. The U.S. recession has made the cruise market less than financially buoyant, though some 1.5m people will go cruising there this year. Based on announced intentions of lines serving the Caribbean, 1985 capacity will be nearly 50 per cent up on 1981. This could make life difficult for cruise operators

A.F.

WORLD SHIPPING AND SHIPBUILDING VI

Tanker owners scrapping more vessels

"1982 will be a watershed year," said Mr Ronald Ilian, head of BP Tankers, describing the stale tanker market. Exxon, of the U.S., has already five big tankers for scrap this year

FOR SALE: one big tanker of 200,000 deadweight tons or more powered by steam turbine and around 10 years old. Price: a few million dollars, a fraction of the original cost.

Likely taker: an Asian shipbreaking yard, or shipowner with an eye for a bargain, a taste for risk, and an abundance of optimism.

Multiply the above by enough ships to total well over 100m dwt and you have the size of the problem. The tanker industry is in a parlous state and has been for some time. And with demand for oil lacking buoyancy, tanker owners are scrapping more ships and ordering as little as possible. Much tonnage is simply laid up.

Ten years ago, before the oil crisis, large tankers were all the rage. Shipyards in Japan and Europe scrambled to put in huge docks to build VLCCs and ULCCs (very large and ultra large crude carriers).

At that time, the world tanker order book was nearly 96m dwt. Two years later, at the start of 1974 it had soared to almost 200m dwt, touching 231m during the year.

Since then, it has been downhill. Yards have had to cut back drastically, with dire financial consequences for many. The bottom was reached in 1979 when the order book began the year at under 10m dwt. It climbed back a bit after that, but had slipped again to just over 12m dwt this January.

The volume of tankers sold for scrap has speeded up, with 10m dwt headed for the demolition yards in the first four months of 1982. The figure for all of 1981 was 13.5m dwt.

Even so, it will still take a few years for the surplus to be mopped up. Big oil companies have been selling as many VLCCs as they can.

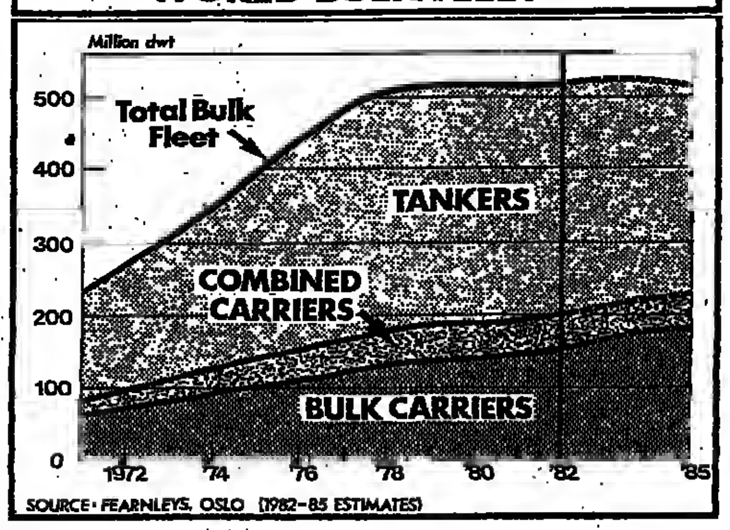
Nor are matters much more cheerful in gas shipping. About half the available liquefied natural gas (LNG) shipping capacity was idle at the start of the year, Lloyd's Shipping Economist noted.

Cautioning against too much gloom, though, it added that nearly all the ships in operation seemed sure of long-term employment, as did those under construction.

Bedevilling the LNG market have been wrangles over price between customers and suppliers such as Algeria and Libya. But potential LNG demand is huge, notably from Japan and South Korea which has also begun to import liquefied petroleum gas (LPG) where shipping experience has been less fraught.

ANDREW FISHER

WORLD BULK FLEET



SOURCE: FEARNLEYS, OSLO (1982–85 ESTIMATES)

Anxious time for bulk carriers

HOW WILL bulk carrier operators survive the next year or so? Freight rates remain stubbornly low and numerous ships ordered in more encouraging times are being delivered. So the market is likely to remain depressed for some time and owners' financial problems will become increasingly acute.

"There must be some cataclysmic bankruptcies ahead," said a shipbroker on London's Baltic Exchange sombrely.

It was the collapse in dry cargo rates which nearly tipped the Cast shipping operation beaded by Mr Frank Narby over the brink this year. His Canadian-controlled company, which combines bulk and container shipping, is surviving with help from banks and shareholders.

But other companies could sail into deeper trouble and be unable to shake off their debts.

Prospects for a rate upturn seem limited—"There are not likely to be many who dare hope for any further improvement in the near future," said P. F. Bassoe, a Norwegian shipbroking company. Pessimistic comments like this bave become common. Generally, the industry sees no cbance of recovery until well into 1983 and possibly as late as 1984.

Rapid rise

The rot started to set in early last summer. One cause was the steady rise in the size of the fleet as new orders were completed and more combined carriers, also able to carry oil, were switched to dry cargoes. Another was the ending of the vast congestion on the U.S. East Coast at Hampton Roads.

Up to the end of March last year, the operating dry bulk fleet bad gone up by some 6 per cent, and this rapid rise was followed by release of some 12m dwt, or 7 per cent of the fleet, as the Hampton Roads congestion ended.

With this boost in transport capacity, said Oslo shipbrokers R. S. Platou, "a fall in rates was unavoidable!"

The bulk fleet stood at just over 154m dwt at the start of this year, a rise of some 9 per cent over the previous 12 months. Another 8 per cent rise is foreseen this year.

"The future looks bleak indeed," said Platou recently. For the 60-80,000 dwt Panamax category—designed to pass through the Panama Canal—a rise of as much as 14 per cent is on the cards.

Growing needs

With the world economy in its present state, shipping needs are unlikely to expand by anything like enough to match capacity.

In March, rates showed a useful improvement, but this was due mainly to Soviet grain ship chartering across the Atlantic. Grain business alone, however, will not be enough to support the market. With the steel industry in bad shape, iron ore business is slack. Nor is coal trade booming as early as many owners hoped.

It was coal prospects which persuaded many owners to order new tonnage in the past couple of years before freight rates began tumbling.

What will bappen to all the new vessels?

Fearnleys, another Oslo shipbroker, reckons that the new bulk carrier order book was nearly 32m dwt, more than 600 ships, at the start of the year. By 1985, it estimates the bulk fleet will have risen to nearly 180m dwt.

The shipping industry is fervently hoping that rates will pick up soon. But there are more and more calls for deliveries to be postponed.

Andrew Fisher

Financiers take a wary view

SHIPPING FINANCIERS are drawing in their borns. Prices for second-band tonnage bave fallen sharply this year against a background of looming crisis within the industry as excess capacity and fierce competition pare trading margins on ship operating to the bone.

The banks bave recently come to the rescue of the Canadian-controlled Cast group, and the fear among bankers is that, before long, more shipping companies will he forced to seek financial salvation.

This message bas not been lost on the market place where some aecond-hand ship values bave halved in the past 12 months. Even prime value vessels sucb as newly built Panamax bulk carriers of 60,000 tons bave come down in price this year, tumbling from around $25m to little more than $16m. Along with freight rates, ship asset values are now close to cyclical lows and as a result there is plenty of uncertainty among the lending institutions.

Since the collapse of the tanker market in 1974 after the first oil crisis, bankers bave eyed the world shipping industry with misgiving. It is burdened with a shaky capital atructure, volatile costs and weak demand. But it is a big business and therefore bard to ignore. World orders for new tonnage probably total around $30bn and until this year the market in second-band sbips was worth aronnd $4bn annnally.

Forced out

There are about 20 major banks in London with active maritime divisions, and the thrust of their operations is directed towarda the second-hand market. As the world'a sbipyards have battled to stay in business on the back of state subsidised credit, private capital has been largely forced out of the primary ship markets. The banks bave a sizeable business in bank guarantees on new orders, but their direct lending links are modest.

The proportion of world tonnage controlled from traditional shipping markets is slowly being eroded by cost pressures. The North European fleets are being systemically dismantled, and bankers are baving to make major risk adjustments. No longer can the lender of maritime finance take for granted recognisable corporate structures and published company accounts.

To traditional Greek secrecy has been added the rapid growtb of new areas of ship ownership, like Hong Kong where companies like C. Y. Tung and Carrian Investments have been expanding rapidly.

Even when market conditions are favourable, it is rarely easy to match the differing capital requirements of shipowner and banker. At its most basic a banker's requirement is to get bis mnoey back at the stipulated rate of return. The changes in the structure of the world shipping industry in recent years have demonstrated forcibly that no all-purpose financing formula is available. The asset financing approach has come under pressure from the recent wide fluctuations in ship values.

All this has led to a greater fragmentation of freight markets, and since shipowners are now unable to predict requirements much more than 12 months ahead, the availability of long-term charters has been significantly reduced. In short, the shipping industry bas had to narrow its trading borizons.

Understandably, the capital appeal of shipping bas been moving down to new lows, and the banking community bas tightened up on pricing.

Yet from the point of view of relative asset values, the present is probably a good time for investment in selected tonnage. Adjusting for inflation, the second-hand market bas rarely offered better value, say most bankers. But they make the point that a certain amonnt of "stockholding" needs to be built into the potential purchaser's price.

Unless the market can produce a recovery in freight rates within the next 12 months, potential buyers are going to have to carry their acquisitioos through the present lean period. For those owners who can absorb the cost of borrowings and potential operating losses, the longer term returns can hold out considerable promise. What amounts to distress selling by some owners, can prove to be bargain basement buying for others.

Jeffrey Brown

LONDON STOCK EXCHANGE

Investment initiative blunted by Falkland possibilities
Gilts occasionally harder but equities shade easier

Account Dealing Dates

*First Dealings	Option Declarations	Last Dealings	Account Day
May 17	June 3	June 4	June 14
June 7	June 17	June 18	June 28
June 21	July 1	July 2	July 12

* "New time" dealing may take place from 9 am two business days earlier.

Values in the two main investment sectors of London stock markets rarely strayed from overnight closing levels yesterday. Trading conditions were extremely slow with potential investors reluctant to commit funds because of possible major developments in the battle to repossess the Falklands. Yesterday's Derby was also an investment distraction.

British Funds ran out of steam after Tuesday's show of strength, sentiment tending to be dampened by the overnight rise in U.S. short-term interest rates. The underlying firmness in sterling, however, lent support to the market — quotations fluctuated within very narrow limits throughout and showed little alteration at the close of business. The Government Securities index hardened 0.02 to 69.76, making an uninterrupted rise of 1.59 over the last seven trading days.

Leading shares trended easier from the outset, although trade in many cases was barely sufficient to test prices. The falls, ranging to a few pence or so, were often reduced and the FT 30-share index, 3 points off at noon, closed only 2.2 down on balance at 585.1; Allied-Lyons, 2 up at 100p, responded to preliminary figures above market expectations and provided one of the few bright spots among index constituents. British Petroleum held steady, at 316p, awaiting today's announcement of first-quarter figures.

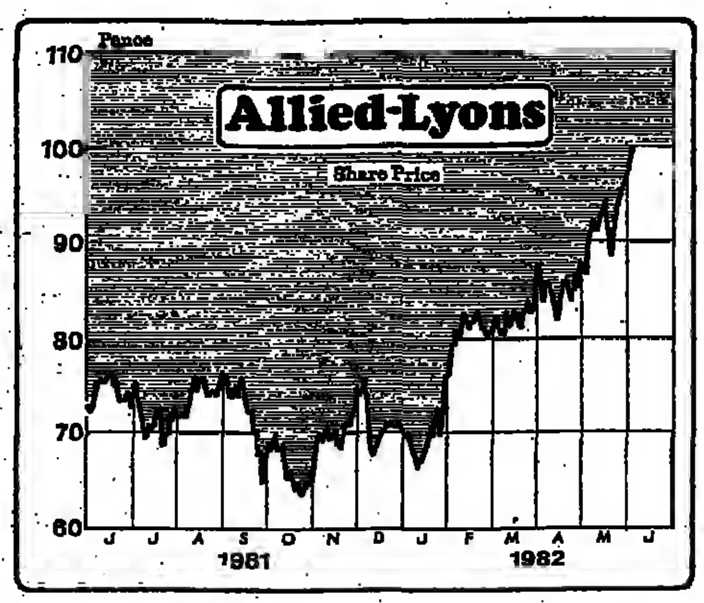
Interest in secondary issues was largely confined to companies reporting trading statements. These sometimes produced the odd feature, while occasional bouts of speculative enthusiasm also lent some colour to an otherwise drab trading session.

Antofagasta Railway responded to an investment recommendation with a rise of 5 points to £84.

Edinburgh General Insurance Services provided an isolated dull spot in Insurances, being marked down 3 to a 1982 lwo of 8p following disappointing annual profits and omission of the final dividend.

Among recently issued equities, Continental Microwave met revived demand and, in a thin market, put on 18 to a peak of 423p. G. Ruddle, Tuesday's newcomer to the Unlisted Securities Market, held at 164p.

Allied-Lyons pleased the market by announcing preliminary profits some £8m above expectations and touched a *three-year peak of 101p* before settling with a net gain of 2 at 100p. Other Breweries passed a fairly quiet session — the latest beer production figures having no apparent effect on sentimant — and a slightly weaker trend was evident after the "House" close. Bass, up to 249p earlier, ended only a penny up on balance at 247p; the interim results are scheduled for next Tuesday.



Buildings maintained a firm undertone with most holding close to overnight levels. Of the few noteworthy movements, Barratt Developments firmed 3 to a 1982 peak of 301p, while Fairclough Construction added a like amount to close at a year's high of 169p. Robert M. Douglas improved a couple of pence to 77p, as did John Mowlem, to 211p. By contrast, recent high-flyer Tilbury Group met with further profit-taking and shed another 7 to 488p.

Readicut profits

Fisons rose 5 to 335p; the company has completed the sale of its agricultural fertiliser division to Norsk Hydro. Business in ICI remained thin, but the close was a couple of pence harder at 316p. Coalite, standing 4 higher awaiting the preliminary results, reverted to 116p on the announcement before settling a net penny dearer at 117p. Hickson and Welch added 3 to 260p awaiting today's interim results. Among other Chemicals, International Paint met with selling and shed 7 to 223p, but R. H. Morley, dealt in the Unlisted Securities Market, put on 2 to 20p.

In the absence of any fresh investment incentive, the Store majors continued to hover around overnight levels. British Home recovered from an early 161p to close only a penny lower on balance at 163p, while House of Fraser ended unchanged at 154p, after 152p. Readicut International advanced a couple of pence to 20½p following the return to profits, while Sonic Sound, an exceptionally weak market of late on rumours of trading difficulties, steadied ahead of the interim figures expected Thursday week and closed at 72p. Empire Stores, recently the subject of an agreed bid from Great Universal which subsequently lapsed following a Monopolies Commission referral, eased a couple of pence to 96p following the chairman's statement at the annual meeting. *Grattan shed a similar* amount to 106p, but Freemans hardened to 124p. Heelamat, 74p, and Bambers, 24p, gave up 3 apiece.

Continuing rumours of a panding rights issue unsettled Thorn EMI which lost 5 more to a 1982 low of 410p. Other Electrical leaders were undecided with Plessey closing a further 3 off at 450p but GEC, at 944p, retrieving 4 of the previous day's fall of 10. Racal softened a couple of pence to 433p, after 428p, and BICC eased 4 to 348p. Elsewhere, Eurotherm, 400p, and Unitech, 285p, declined 5 and 10 respectively. Small selling and lack of support prompted a loss of 15 to 45p in Piezo Products and a fall of 3 to 5p in Hemokinetics.

The Engineering sector provided two notable dull features. Lake and Elliot fell 6 to 44p, after 42p, on extreme disappointment with the £0.44m interim deficit, while Noble and Lund declined 5 to 13p following news that the bid discussions had been aborted. Haden dipped 7 to 203p and Westland cheapened 5 to 123p, while Laird softened 2 to 111p as did Christy Bros, to 30p. Telfos, on the other hand, hardened a penny to 25p in response to the profits recovery and Ash and Lacy revived with a gain of 5 to 330p. The leaders drifted lower for want of support. Hawker gave up 2 at 340p as did TI, at 142p, and John Brown, at 58p.

De La Rue dull

Foods encountered a small two-way business which left leading issues narrowly mixed. Cadbury Schweppes lost the turn to 101p, but Rowntree Mackintosh improved 2 to 172p. Tate and Lyle held at 178p and British Sugar stayed at 475p; news that world sugar prices had fallen to their lowest levels for 2¼ years made no apparent impact. After Tuesday's Press-inspired gain of 4, Associated British Foods shed a couple of pence to 136p, but Hazlewoods added 2 more at 242p in response to preliminary results. Among Retailers, Tesco cheapened a penny to 56p and Kwik Save 2 to 242p, but Fitch Lovell firmed the latter amount to 78p. Bernard Matthews lacked support and in a thin market lost 8 to 97p.

Actively traded on Tuesday ex the rights issue, Grand Metropolitan touched 219p before settling a penny cheaper on balance at 217p; the new nil-paid shares held at 45p premium.

Standing easier at 570p immediately in front of the results, De La Rue plummeted to a 1982 low of 525p on news of the 33 per cent contraction in annual earnings before closing 40 down on balance at 540p. Elsewhere in miscellaneous industrials, profit-taking in the absence of the much-rumoured bid prompted a fall of 10 to 248p in Johnson Group Cleaners, while Gomme, also a firm counter of late on bid suggestions, cheapened 2 to 30p. Sothebys came on offer at 307p, down 8, and Amalgamated Metal were also friendless at 410p, down 20. Despite the first-half profits setback, Marley closed only the turn cheaper at 43p. Jardine Matheson gave up 10 to 170p on far-eastern influences. Alfred Dunhill, on the other hand, rallied from an earlier level of 265p to finish a net 7 higher at 275p in response to the good results. Hanson Trust ended 4 to the good at 165p after comment on the interim figures, while acquisition details helped United Parcels improve 5 to 179p. Improvements of 7 were seen in Royal Worcester, 190p, and Henry Boot, 280 and AGB Research added 10 afresh at 300p after demand in a thin market. Among the leaders, Glaxo put on 6 to a 1982 peak of 693, fresh demand induced by revived optimism about the U.S. potential of its Zantac anti-ulcer drug. Beecham hardened 3 in sympathy to 278p but Bowater lost 5 to 214p as did Unilever to 583p.

Motor Distributors, selectively firm of late on hopes of further rationalisation within the sector, encountered sporadic profit-taking and generally finished lower. Adams and Gibbon stood out with a fall of 13 to 103p despite call option activity. Lex Service eased a few pence to 126p, as did Henlys at 92p. In contrast, Braid hardened the turn to 51p following its defence document rejecting the bid from Lookers.

An exceptionally firm market since the return from suspension late last week, advertising agency Saatchi and Saatchi met with profit-taking and shed 20 to 435p; the nil-paid shares fell 15 to 105p premium. Elsewhere, further consideration of the mid-term statement lifted McCorquodale 3 for a two-day gain of 18 to 183p.

Business in Oils contracted awaiting today's first-quarter statement from British Petroleum, steady at 316p. Shell lost a few pence to 422p. The announcement that the company had negotiated a £60m credit facility to cover the next five years helped Burmah to firm a penny to 144p, while Hamilton Oil gained 4 to 109p following the chairman's statement at the annual meeting. Elsewhere, Global Natural Resources, a volatile market, shed 40 to 660p.

Among Overseas Traders, Harrisons and Crosfield revealed lower full-year profits and following the *chairman's cautious* comments on future trading the shares reacted 75 to 562p. The 81 per cent owned subsidiary, *Harrisons Malaysian Estates, due* to be transferred to a Malaysian domicile following a deal between the parent company and Permodolan Nasional, added 3 more for a two-day gain of 28 to 168p.

Golds lower

Golds opened sharply lower in line with the fresh setback in the bullion price, but attracted some buying interest from all quarters at the lower levels and recovered to close above the worst. Gold also rallied from the morning fix of $316.8 per ounce to close at $320.875, but the Gold Mines index was left with a decline on the day of 9.4 to 220.0.

Falls of a point and more were common to President Brand, £11⅝, Randfontein Estates, £23¼, Vaal Reefs, £25 and Western Deep Levels, £11½.

Driefontein lost 73 to 939p, while Libanon, 687p, Blyvoor, 434p and Unisel, 364p were all more than 30 lower.

Stilfontein gave up 20 to a low for the year of 575p in front of the better-than-expected dividend, and Buffels, whose payment also exceeded expectations, lost a half-point to £14½.

South African Financials were featured by a strong performance from Anglo American after the previous day's announcement of a maintained dividend; the shares advanced 15 to 455p. Other gold-based counters lost ground, as in "Amgold," £29¾ and Gold Fields of South Africa, £23 both 1⅛ weaker, "Johnnies" fell a point to £25½ and Gencor 20 to 680p.

Diamonds were mixed, with "Anamint" ⅛ easier at £23¼, but De Beers 22 to the good at 238p.

London Financials were largely ignored. Rio Tinto-Zinc were marked down 3 to 425p and Gold Fields 2 to 355p.

Australians drifted on lack of interest as the recent stimulus of Far Eastern demand was lacking. Gold Mines of Kalgoorlie gave up 10 at 195p, while CRA, at 176p, Meekatharra Minerals, at 146p, MIM Holdings, at 170p, and Peko-Wallsend, at 264p, were all around 6 weaker.

Contracts completed in Traded Options amounted to 1,013, comprising 735 calls and 278 puts. Imperial were again relatively active with 201 calls taken out, 99 in the August 90's and 102 in the August 100's.

OPTIONS

First Deal-ings	Last Deal-ings	Last Declara-tion	For Settle-ment
May 24	June 11	Sept 2	Sept 13
June 14	June 25	Sept 16	Sept 27
June 28	July 9	Sept 30	Oct 11

For rate indications see end of Share Information Service

—Money was given for the call of Adams and Gibbon, Pennine Commercial, Daejan, Rothmans International, L & J. Hyman, Sun Oil, Barker and Dobson, ICL, Minet and John Waddington. Puts were completed in Kloof Gold and Sangers, while *doubles were done in* Otter Exploration, Courtaulds and Polly Peck.

FINANCIAL TIMES STOCK INDICES

	June 2	June 1	May 22	May 27	May 25	May 25	A year ago
Government Secs	58.76	69.74	69.20	69.01	68.85	68.80	67.19
Fixed Interest	70.00	70.06	69.70	69.55	69.56	69.53	68.52
Industrial Ord.	585.1	587.3	587.3	584.3	580.8	580.8	546.7
Gold Mines	220.0	229.4	234.7	230.3	233.7	231.6	353.6
Ord. Div. Yield	5.39	6.37	5.36	5.40	5.38	5.40	6.01
Earnings, Yld.% (full)	11.25	11.23	11.18	11.14	11.15	11.17	11.72
P/E Ratio (net) (*)	10.70	10.82	10.84	10.93	10.94	10.91	10.60
Total bargains	14,610	15,760	15,285	14,094	13,960	14,954	18,286
Equity turnover £m.	—	111.74	142.67	109.25	96.39	124.40	130.47
Equity bargains	—	12,190	11,775	10,431	11,165	12,060	14,212

10 am 584.9. 11 am 585.3. Noon 584.3. 1 pm 585.3. 2 pm 585.3. 3 pm 586.0.

Basis 100 Govt. Secs. 16/10/26. Fixed Int. 1928. Industrial Ord. 1/7/35. Gold Mines 12/9/55. SE Activity 1974. †Corrected.

Latest Index 01-246 8026.

*Nil=9.99.

HIGHS AND LOWS

	1982 High	1982 Low	Since Compilat'n High	Since Compilat'n Low
Govt. Secs.	69.76 (2/6)	61.89 (5/1)	127.4 (9/1/35)	49.18 (3/1/75)
Fixed Int.	70.06 (1/6)	62.72 (7/1)	150.4 (28/11/47)	50.53 (3/1/75)
Ind. Ord.	590.2 (12/5)	518.1 (5/1)	597.3 (30/4/81)	49.4 (26/6/40)
Gold Mines	302.0 (5/1)	209.2 (9/3)	558.9 (22/9/80)	43.5 (26/10/71)

S.E. ACTIVITY

	June 1	May 28
—Daily		
Gilt Edged Bargains	185.8	172.8
Equities Bargains	79.0	76.3
Equities Value	225.8	288.4
5-day Avrge.		
Gilt-Edged Bargains	166.4	164.1
Equities Bargains	74.7	73.5
Equities Value	232.3	236.20

FT-ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

	EQUITY GROUPS & SUB-SECTIONS (Figures in parentheses show number of stocks per section)	Wed June 2 1982 Index No.	Day's Change %	Est. Earnings Yield % (Max.)	Gross Div. Yield % (ACT at 30%)	Est. P/E Ratio (Net)	Tues June 1 Index No.	Fri May 28 Index No.	Thur May 27 Index No.	Wed May 26 Index No.	Year ago (approx.) Index No.
1	CAPITAL GOODS (209)	[illegible]	−0.4	9.16	4.11	13.45	397.69	399.99	393.35	389.08	346.09
2	Building Materials (25)	[illegible]	−0.4	12.77	5.21	9.25	344.96	340.47	338.55	336.83	301.51
3	Contracting, Construction (28)	[illegible]	−0.2	13.76	4.91	8.57	625.82	620.30	615.64	612.17	577.15
4	Electricals (31)	[illegible]	−0.2	6.42	2.04	19.96	1471.94	1484.19	1441.71	1420.96	1081.23
5	Engineering Contractors (11)	[illegible]	−0.3	13.54	6.17	8.71	492.65	487.37	484.12	476.89	488.81
6	Mechanical Engineering (67)	[illegible]	−0.7	11.11	5.65	10.86	208.19	207.87	206.95	204.93	213.80
8	Metals and Metal Forming (11)	[illegible]	−1.0	10.03	6.98	12.53	171.89	171.73	169.65	166.31	163.81
9	Motors (20)	[illegible]	−1.4	1.54	7.92	—	95.09	95.39	94.37	93.93	105.26
10	Other Industrial Materials (18)	[illegible]	−0.1	9.94	5.75	12.32	369.24	369.51	365.22	365.41	371.34
21	CONSUMER GROUP (201)	313.34	−0.1	12.60	5.52	9.61	313.70	312.63	310.08	307.40	281.53
22	Brewers and Distillers (22)	326.73	+0.4	13.97	6.34	8.73	325.54	321.48	316.52	311.07	313.04
25	Food Manufacturing (22)	268.01	−0.7	17.32	6.99	6.73	269.77	268.77	267.74	265.28	253.22
26	Food Retailing (14)	612.98	−0.1	9.27	3.48	13.09	613.78	615.50	610.33	605.68	522.77
27	Health and Household Products (8)	473.77	+0.5	7.30	3.42	15.92	471.46	468.91	464.53	461.00	336.70
29	Leisure (25)	440.80	−0.7	10.09	5.28	12.40	443.22	441.88	439.19	439.36	433.98
32	Newspapers, Publishing (12)	537.62	+0.4	12.54	5.86	10.19	535.48	529.20	525.13	523.91	517.70
33	Packaging and Paper (14)	150.16	−1.1	15.34	7.08	7.57	151.79	149.56	148.95	147.92	148.42
34	Stores (45)	286.85	−0.1	10.37	4.86	12.75	287.01	286.77	283.86	281.50	273.81
35	Textiles (23)	175.19	−0.2	12.87	6.06	9.59	175.46	173.56	173.89	174.26	158.22
36	Tobaccos (3)	331.33	−0.6	22.07	8.30	5.11	333.20	337.42	336.50	332.04	258.60
39	Other Consumer (15)	285.35	−0.8	0.28	5.28	—	287.73	287.20	285.82	285.27	301.14
41	OTHER GROUPS (77)	261.78	−0.1	13.27	6.36	9.07	262.12	261.10	257.80	257.05	230.46
42	Chemicals (16)	346.42	+0.5	13.27	6.71	8.90	344.66	342.06	339.61	339.90	285.85
44	Office Equipment (4)	114.42	−0.6	14.21	7.63	8.64	115.06	114.98	112.45	111.82	113.92
45	Shipping and Transport (13)	567.38	−0.7	19.83	7.26	6.18	571.31	570.88	564.87	565.37	565.21
46	Miscellaneous (44)	338.74	−0.5	11.33	5.56	10.69	340.57	339.24	334.17	331.70	301.67
49	INDUSTRIAL GROUP (487)	335.15	−0.2	11.39	5.10	10.68	335.90	335.26	331.25	328.36	296.60
51	Oils (13)	748.17	−0.5	21.15	7.77	5.36	751.86	758.70	754.67	753.58	770.41
59	500 SHARE INDEX	368.78	−0.3	12.97	5.53	9.20	369.76	369.71	365.70	362.98	334.64
61	FINANCIAL GROUP (117)	247.36	−0.2	—	6.71	—	247.79	247.79	246.03	244.68	253.59
62	Banks (6)	271.90	—	30.50	7.93	2.84	271.90	268.82	265.30	264.60	250.85
63	Discount Houses (9)	236.82	+0.2	—	9.43	—	236.38	234.95	234.41	234.63	201.98
65	Insurance (Life) (9)	263.54	—	—	6.94	—	263.54	263.52	258.88	256.85	268.43
66	Insurance (Composite) (10)	152.24	—	—	9.30	—	152.24	153.71	157.90	158.52	162.08
67	Insurance Brokers (7)	408.42	—	11.33	5.31	11.97	408.42	401.92	409.62	406.68	380.74
68	Merchant Banks (12)	143.41	−1.1	—	5.91	—	144.95	143.33	144.66	144.60	166.26
69	Property (49)	418.04	−0.4	5.98	3.78	25.01	420.34	408.51	422.51	419.98	400.16
70	Other Financial (15)	173.77	−0.5	17.89	6.59	6.46	174.60	175.74	173.78	174.06	171.81
71	Investment Trusts (111)	304.25	−0.4	—	5.40	—	305.44	303.02	302.39	300.80	304.23
81	Mining Finance (4)	200.30	−0.6	15.59	7.04	8.04	201.45	203.58	203.32	200.85	257.64
91	Overseas Traders (18)	361.55	−3.6	14.25	8.74	8.59	374.97	364.06	363.44	360.95	462.89
99	ALL-SHARE INDEX (750)	336.61	−0.3	—	5.79	—	337.64	337.46	334.25	331.83	317.96

FIXED INTEREST

	PRICE INDICES	Wed June 2	Day's change %	Tues June 1	xd adj. today	xd adj. 1982 to date
	British Government					
1	5 years	112.51	+0.10	112.40	—	4.92
2	5-15 years	113.31	+0.01	113.30	—	4.49
3	Over 15 years	117.02	+0.07	116.94	—	5.22
4	Irredeemables	120.59	—	120.59	—	6.30
5	All Stocks	113.95	+0.05	113.89	—	4.85
6	Debentures & Loans	88.70	+0.03	88.68	—	4.81
7	Preference	64.84	−0.02	64.86	—	3.13

	AVERAGE GROSS REDEMPTION YIELDS		Wed June 2	Tues June 1	Year ago (approx.)
	British Government				
1	Low Coupons	5 years	11.25	11.28	11.99
2		15 years	12.56	12.55	12.69
3		25 years	12.57	12.57	12.77
4	Medium Coupons	5 years	13.65	13.66	13.92
5		15 years	13.60	13.59	14.39
6		25 years	13.05	13.05	14.01
7	High Coupons	5 years	13.56	13.57	13.92
8		15 years	13.78	13.78	14.60
9		25 years	13.09	13.13	14.21
10	Irredeemables†		12.18	12.18	12.11
11	Debs & Loans	5 years	14.58	14.48	15.02
12		15 years	14.55	14.57	15.04
13		25 years	14.52	14.57	15.04
14	Preference†		15.24	15.24	15.32

† Flat yield. Highs and lows record, base dates, values and constituent changes are published in Saturday issues. A new list of constituents is available from the Publishers, The Financial Times, Bracken House, Cannon Street, London, EC4P 4BY, price 15p, by post 28p.

NEW HIGHS AND LOWS FOR 1982

The following quotations in the Share Information Service yesterday attained new Highs and Lows for 1982.

NEW HIGHS (59)

BRITISH FUNDS (12)
Exchqr. 11¼pc '04 — Treas. 3pc 1987
Exchqr. 3pc 1984 — Treas. 13pc 2000
Treas. 12pc 1984 — Treas. 13¾pc '00-03
Treas. 3pc 1985 — Treas. 11½pc '01-04
Treas. 11½pc '85 — Treas. 13½pc '04-08
Treas. 12pc 1986 — Treas. 5½pc '08-12

INTERNATIONAL BANK (1)
Finland 14½pc 1986

LOANS (1)
FFI 14pc 1983

FOREIGN BONDS (1)
Iceland 14½pc Ln 2016

BEERS (10)
Allied-Lyons — Marston Thompson
Bass — Vaux
Brown (M.) — Whitbread A
Burtonwood — Young Brew. A
Greene King — Do. N-V

BUILDINGS (7)
BPB Inds. — Countryside
Barratt Devs. — Fairclough Constr.
British Dredging — Roberts Adlard
Carr (John)

CHEMICALS (4)
Allied Colloids — Fisons
Anchor Chem. — Hickson & Welch

STORES (1)
MFI Furniture

ENGINEERING (2)
Ash & Lacy — Victor Products

FOODS (1)
Banks (Sidney C.)

HOTELS (1)
Grand Metropolitan

INDUSTRIALS (10)
AGB Research — Crest Nicholson
BOC Group — Glaxo
Black (P.) — Hanson Trust
Boot (Henry) — Macfarlane Group
Consultants — Portals

MOTORS (2)
Aerospace Eng. — Flight Refuelling

NEWSPAPERS (1)
Int. Thomson

PAPER (2)
Chapman Inds. — McCorquodale

TRUSTS (1)
M & G Dual Inc.

OIL & GAS (2)
Century — LASMO 14pc '81-83

NEW LOWS (52)

AMERICANS (10)
Amax — Chase Manhattan
Bank America Corp. — Cont. Illinois
Bankers N.Y. — Fluor Corp.
Bendix Corp. — Int. Tel. & Tel.
Bethlehem Steel — Time Inc.

CANADIANS (2)
Inco — Trans Can. Pipe

BUILDINGS (1)
Leech (Wm.)

STORES (2)
Heelamat — Sonic Sound

ELECTRICALS (4)
Hemokinetics — Piezo
Mitel Corp. — Thorn EMI

ENGINEERING (3)
British Northrop — R.H.P.
Laird Group

INDUSTRIALS (10)
Amalg'd Metal — G.R. (Hldgs.)
Bridon — Gieves Group
De La Rue — Marshall's Univ.
Oapie Int. — Staffs. JPotts.
Fitzwilton — Wedgwood

INSURANCE (1)
Edin. Gen. Ins.

MOTORS (1)
Armstrong Eqpt.

PROPERTY (4)
Greycoat Ests. — Lynton Hldgs.
Land Inv. — Slough Ests.

SOUTH AFRICANS (1)
Barlow Rand

TRUSTS (3)
Precious Metals — Majedie Invs.
Scot. & Merc. A

RUBBERS (1)
Barlow Hldgs.

MINES (9)
Bracken — Gold Fields S.A.
Leslie — Middle Wits.
Stilfontein — Anglo-Am. Inv.
President Brand — Kitchener
Gencor

RISES AND FALLS YESTERDAY

	Rises	Falls	Same
British Funds	18	1	73
Corpns. Dom. & Foreign Bonds	9	3	69
Industrials	144	263	938
Financial & Props.	31	90	390
Oils	11	36	60
Plantations	1	1	21
Mines	12	64	83
Others	24	65	60
Totals	246	523	1,694

RECENT ISSUES

EQUITIES

Issue price p	Amount paid up	Latest Renunc. Date	1982 High	1982 Low	Stock	Closing price p	+ or −	Div. p. or amount	Times Covered	Gross Yield	P/E Ratio
¶250	F.P.	23/5	272	265	Assoc. Heat Services	278	.....	b9.0	2.1	4.6	14.1
§90	F.P.	—	101	92	✠Black (Michael) 20p	101	.....	u5.0	2.4	4.2	14.0
12	F.P.	12/4	32	19	Cambrian & Gen. 7½p	29	.....	—	—	—	—
§260	F.P.	4/6	420	293	✠Cont. Microwave	423	+18	b5.25	3.9	1.8	15.5
§130	F.P.	28/5	184	140	✠Druck Hldgs.	154	.....	b2.3	2.6	2.1	8.7
§87½p	F.P.	26/5	22	17	Electro-Prot. US$0.50	27	−2	uQ1.5c	8.9	1.0	11.7
—	—	—	17	10	‡Group Inv Option	14	.....	—	—	—	—
§250	F.P.	14/3	250	245	✠Io Technology	247	.....	—	—	—	—
‖	F.P.	—	275	260	✠Jebsens Drilling	260	.....	Q17.5	2.3	2.6	5.5
§105	F.P.	—	121	110	✠Miles 33 10p	101	.....	ud2.0	4.6	2.4	10.5
140	F.P.	—	166	160	✠Ruddle (G.) 10p	164	.....	b3.5	2.6	2.2	18.4
136	F.P.	13/5	141	152	Standard Secs.	132	−1	b2.8	1.2	3.0	38.6
¶¶	F.P.	—	29	19	Stewart Nairn	24	.....	—	—	—	—
¶¶	F.P.	—	90	60	Zambia Cons Cpr 10K	60	.....	—	—	—	—

FIXED INTEREST STOCKS

Issue price £	Amount paid up	Latest Renunc date	1982 High	1982 Low	Stock	Closing price	+ or −
¶100	£10	—	10½	10½	Bournemouth Water 9% Red. Prf. '87 20	10½	.....
§98.393	£25	14/7	25	21½	Cred. Foncier de France 14¾% Ln. 2007	24⅛	.....
¶100	F.P.	1/7	102¼	101¼	East Anglia Water 9% Red. Prf. 1987	101¼	.....
¶¶	F.P.	—	146½	136	First Nat. 12½pc Conv. Uns. Ln. 1987	142	.....
¶100	F.P.	—	47	38	Grt. N'rth'n Inv. 4pc Net Cum. Prf. £1	39	.....
¶100	F.P.	—	46	45	Do. 4.7pc Net Cum. Prf. £1	46	.....
§100	Nil	—	1pm	½pm	Meriborough Props. 10% Cnv. Ln. '96-2002	½pm	.....
¶100	£10	—	11	11	Mid-Southern Wtr. 9% Pref. 1987	11	.....
§100	F.P.	—	100⅞	100⅛	Nationwide Bdg. Soc. 14¼% (23/4/83)	100⅛	.....
§100	F.P.	—	100	99⅞	Do. 13⅞% (25/5/83)	99⅞	.....
¶107	F.P.	29/4	113½	109½	Queens Moat 10½% Cnv. '89-91	113	.....
¶100	£10	—	10½	10½	Wrexham Water 9% Red. Prf. '87-82	10½	.....

"RIGHTS" OFFERS

Issue price p	Am'unt paid up	Latest Renunc. date ●	Latest Renunc. date ■	1982 High	1982 Low	Stock	Closing price p	+ or −
10	F.P.	27/4	28/5	13¾	10	Ansbacher (H.) 5p	10	.....
170	F.P.	15/3	24/6	190	180	Bank Leumi (UK) £1	185	.....
135	F.P.	28/5	0/7	172	158	Carless Capel 10p	172	.....
174	Nil	—	—	49pm	44pm	Grand Met 50p	45pm	.....
e	F.P.	10/6	21/6	6	5	Orovebell (5p)	5½	+½
500	F.P.	20/5	18/6	210	675	Hammerson Prop.	605	−5
500	F.P.	20/5	18/6	375	550	Do. A	575	.....
120	F.P.	7/5	4/6	127	144	Lilley (F.J.C.)	127	+2
145	F.P.	12/5	7/6	182	176	Low (Wm.) 20p	182	−2
50	Nil	—	—	8pm	8pm	Press (Wm.) 10p	2pm	.....
325	Nil	—	—	120pm	80pm	Saatchi & Saatchi 10p	105pm	−15
170	F.P.	14/6	11/6	284	272	Steel Bros.	242	.....
10	F.P.	24/3	23/4	10½	10½	Sturla 10p	11½	.....
155	F.P.	10/3	10/6	162	146	Vickers (£1)	150	−2
23	Nil	—	—	½pm	½pm	Young (H.)	½pm	.....

Renunciation date usually last day for dealing free of stamp duty. *b* Figures based on prospectus estimate. *d* Dividend rate paid or payable on part of capital: cover based on dividend on full capital. *g* Assumed dividend and yield. *r* Indicated dividend: cover relates to previous dividend, P/E ratio based on latest annual earnings. *u* Forecast dividend: cover based on previous year's earnings. F Dividend and yield based on prospectus or other official estimates for 1982. Q Gross. T Figures assumed. ● Figures or report awaited. ‡ Cover allows for conversion of shares not now ranking for dividend or ranking only for restricted dividends. § Placing price. *p* Pence unless otherwise indicated. ¶ Issued by tender. ‖ Offered to holders of ordinary shares as a "rights." ** Issued by way of capitalisation. §§ Reintroduced. ¶¶ Issued in connection with reorganisation, merger or take-over. ‖‖ Introduction. □ Issued to former preference holders. ■ Allotment letters (or fully-paid). ● Provisional or partly-paid allotment letters. ★ With warrants. †† Dealings under special Rule. ✠ Unlisted Securities Market. ‡‡ London Listing. ‡ Effective issue price after scrip. † Formerly dealt in under Rule 163(2)(a). △ Issued free as an entitlement to ordinary holders.

ACTIVE STOCKS

Above average activity was noted in the following stocks yesterday

Stock	Closing price pence	Day's change	Stock	Closing price pence	Day's change
Adams and Gibbon	103	−13	Hanson Trust	165	+4
Allied-Lyons	100	+2	Harrisons and Crosfield	562	−75
BICC	348	−4	Harrisons Malaysn Ests.	168	+3
Barratt Developments	301	+3	Johnson Grp Cleaners	248	−10
Coalite	117	+1	Lake and Elliot	44	−6
De La Rue	540	−40	Plessey	450	−3

TUESDAY'S ACTIVE STOCKS

Based on bargains recorded in S.E. Official List

Stock	No. of price changes	Tuesday's closing price pence	Day's change	Stock	No. of price changes	Tuesday's closing price pence	Day's change
GEC	17	940	−10	Ferranti	9	780	+6
Ruddle (G.)†	17	184	—	Lasmo	9	340	−14
Hrlsns Mly Ests	13	165	+25	Minet Holdings	9	184	−6
Plessey	11	453	−10	RTZ	9	428	−5
Saatchi and S.†	10	120pm	+15	Shell Transport	9	426	−2
BAT Industries	2	448	−5	Cable & W'less	6	283	−3
BP	2	316	−4	Cadbury Schwp	2	102	—

† "New."

APPOINTMENTS

Changes at Fenchurch Insurance

Mr B. L. Earl has been appointed managing director of FENCHURCH INSURANCE HOLDINGS. Mr R. A. Mortoo, chief executive of the Guinness Peat Group, has joined the board. Lord Kissin, Mr Edmund Del, Mr R. A. W. Caine and Mr P. C. E. Dix have resigned from the board.

In addition, the following appointments in Fenchurch Group subsidiaries have been made: Mr M. J. Small, chairman of Fenchurch International; Mr P. W. Bedford, chairman of Fenchurch (UK); Mr B. J. Blacker chairman of Tudor & Company (overseas subsidiaries); and Mr A. N. Wheal, chairman of Fenchurch Group Services.

Mr G. E. Knight, chairman of Fenchurch Insurance Holdings, also becomes chairman of Fenchurch Underwriting Agencies.

★

Mr Eric Nutter has been appointed group managing director of YORK TRAILER HOLDINGS. Mr Nutter was joint managing director of Anthony Carrimore, the hydraulics subsidiary of the York Group.

★

Mr Jack Clare has been appointed sales director of ACCRAPAK SYSTEMS.

★

Mr Michael Scott, chairman and managing director of Pitt & Scott, has been elected president of the BRITISH ASSOCIATION OF REMOVERS. Mr John Smart, director of A. H. Tripp & Son, has been elected national chairman of the Institute of the Furniture Warehousing and Removing Industry (the training arm of BAR).

★

Mr Phillip Bolam, head of group agricultural services at Barclays Bank, has been elected president of the NATIONAL SHEEP ASSOCIATION. He succeeds Mr Walter Smith, former head of ADAS and Welsh secretary to the Ministry of Agriculture.

★

NATIONAL WESTMINSTER BANK has appointed Mr Cyril W. Huxley as chief engineer. He succeeds the late Mr Derek G. Halifax.

★

Mr I. B. Abrams and Mr F. D. Porter will be appointed principals of HOARE GOVETT, stockbrokers, on June 7.

★

LEEDS PERMANENT BUILDING SOCIETY has appointed Mr Peter Hemingway to the board in place of Mr S. K. Walker, who retires as chief general manager on May 31. Mr Hemingway, who succeeded Mr Walker as chief general manager, has been with the society since 1962.

★

At THE BANK OF ENGLAND *Mr M. T. R. Smith will succeed* Mr J. S. Westwater on his retirement as agent at the Glasgow agency on July 1. Mr Smith is a manager in the Bank's money markets division.

★

Mr Christopher Miller has been appointed company secretary of HANSON TRUST.

★

Mr George Duncan has been appointed a director of LLOYDS BANK from June 15. Mr Duncan is chairman of Lloyds and Scottish and of Bowmaker.

★

Mr David Dawson has been *appointed a director of* NORBAIN DISPLAYS, a subsidiary of Norbain Electronics.

CURRENCIES and MONEY

Dollar weaker

Dollar suffered a sudden turnround in nervous foreign exchange trading yesterday. The U.S. currency was very firm in early European trading, but then lost ground as a result of profit-taking in European and the U.S. Doubts about the future direction of U.S. interest rates led to very nervous market conditions.

Sterling was very firm, improving against the dollar, and other major currencies.

DOLLAR—Trade-weighted index (Bank of England) 115.7 against 115.4 on Tuesday, and 105.5 six months ago. Three month Treasury bills 11.95 per cent (10.56 per cent six months ago). Annual inflation rate 6.6 per cent (6.8 per cent previous month)—The dollar fell to DM 2.3675 from DM 2.3775 against the D-mark, after touching DM 2.39; to FFr 6.1650 from FFr 6.1750, after touching *FFr 6.2375 against* the French franc; to SwFr 2.0175 from SwFr 2.0225 in terms of the Swiss franc, but rose to Y244.75 from Y244 against the Japanese yen.

STERLING — Trade-weighted index 90.7, compared with 90.7 at noon, 90.8 in the morning, 90.5 at the previous close, and 91.8 six months ago. Three-month interbank $13\frac{7}{16}$ per cent ($15\frac{3}{16}$ per cent six months ago). *Annual* inflation 9.4 per cent (10.4 per cent previous month)—Sterling opened at \$1.7830-1.7840, and fell to \$1.7800-1.7810 in the morning. The decline of the dollar pushed the pound up to \$1.7935-1.7950 in the afternoon, and it closed at \$1.7920-1.7930, a rise of 50 points on the day. Sterling rose to DM 4.2450 from DM 4.2350; to FFr 11.0450 from FFr 10.99; to SwFr 3.62 from SwFr 3.6050; and to Y438.50 from Y435.

D-MARK — EMS member *(strongest)*. Trade-weighted index 124.4 against 124.1 on Tuesday, and 122.7 six months ago. Three-month interbank 9.1250 per cent (10.70 per cent six months ago). Annual inflation 5.0 per cent (5.2 per cent previous month) — The D-mark remained firm against European currencies at the Frankfurt fixing, but continued to weaken against the dollar as U.S. short-term interest rates stayed strong. The U.S. currency was fixed at DM 2.3860, compared with DM 2.3710 on Tuesday, but fell back sharply to around DM 2.3650 in late afternoon as a *result of heavy profit-taking after* the dollar's recent sharp gains. The Bundesbank sold \$31m at the fixing. Sterling was firm at the fixing, rising to DM 4.2540 from DM 4.2280, but retreated with the dollar later in the day. The Swiss franc was fixed at DM 1.1719, compared with DM 1.1731, and the French franc fell to DM 38.30 per 100 francs from DM 38.42.

FRENCH FRANC—EMS member (third weakest). Trade-weighted index 79.3 against 79.4 on Tuesday, and 81.3 six months ago. Three-month interbank $16\frac{1}{16}$ per cent ($15\frac{1}{16}$ per cent six months ago). Annual inflation 13.9 per cent (14.1 per cent previous month)—The French franc weakened sharply against the dollar in early Paris trading, but recovered somewhat later in the day. During the morning the U.S. currency touched a peak of FFr 6.2350-6.24000, but retreated to FFr 6.2140 at the fixing, the highest level since April 23. There was no sign of intervention by the Bank of France, as the dollar remained well below the record level of FFr 6.3135 set on April 16. The franc opened at FFr 6.2300-6.2350, and stood at FFr 1925-6.1975 in the late afternoon. Signs that U.S. interest rates will not fall significantly in the near term, and fears about the position of the franc in the EMS continued to undermine market sentiment.

THE POUND SPOT AND FORWARD

June 2	Day's spread	Close	One month	% p.a.	Three months	% p.a.
U.S.	1.7800-1.7950	1.7920-1.7930	0.20-0.30c dis	−1.67	0.72-0.82dis	−1.72
Canada	2.2210-2.2340	2.2320-2.2330	0.67-0.77c dis	−3.87	1.87-1.97dis	−3.44
Nethlnd.	4.70-4.74	4.70½-4.71½	2⅝-1⅝c pm	4.78	5⅝-4⅞ pm	4.35
Belgium	79.90-80.60	85.15-85.25	20-30c dis	−5.98	67-77 dis	−3.59
Denmark	14.44-14.51	14.45-14.46	6⅝-7⅜ore dis	−5.71	7½-8⅛ dis	−2.16
Ireland	1.2223-1.2316	1.2265-1.2275	0.72-0.84p dis	−7.63	2.03-2.24dis	−6.96
W. Ger.	4.22½-4.27½	4.24-4.25	1⅞-1⅜pf pm	4.59	5-4½ pm	4.47
Portugal	128.25-130.25	129.75-130.25	105-380c dis	−22.38	315-915dis	−18.92
Spain	189.70-190.40	190.10-190.30	55-80c dis	−4.26	225-280 dis	−6.19
Italy	2,347-2,358	2,350-2,352	23-27 lire dis	−12.76	68-73 dis	−11.99
Norway	10.85-10.90	10.87-10.88	2¾-3⅞ore dis	−3.65	7¼-8⅛ dis	−2.87
France	11.02-11.13	11.04-11.05	19-22c dis	−22.27	42½-46½dis	−16.11
Sweden	10.52-10.57	10.53½-10.54½	¼-1ore dis	−0.71	⅝-1⅜ dis	−0.38
Japan	436-440	438-439	2.40-2.20y pm	9.29	2.70-6.50 pm	6.02
Austria	29.85-30.06	29.87-29.92	16-11gro pm	5.22	38-31 pm	4.62
Switz.	3.60½-3.65	3.61½-3.62½	3⅛-2⅞c pm	10.36	2¼-7¼ pm	8.84

Belgian rate is for convertible francs. Financial franc 87.50-87.60.
Six-month forward dollar 1.58-1.68c dis, 12-month 2.65-2.80c dis.

THE DOLLAR SPOT AND FORWARD

June 2	Day's spread	Close	One month	% p.a.	Three months	% p.a.
UK†	1.7800-1.7950	1.7920-1.7930	0.20-0.30c dis	−1.67	0.72-0.82dis	−1.72
Ireland†	1.4510-1.4555	1.4520-1.4540	0.75-0.65c pm	5.78	1.95-1.75 pm	6.09
Canada	1.2455-1.2510	1.2455-1.2460	0.23-0.28c dis	−2.36	0.56-0.60dis	−1.86
Nethlnd.	2.6260-2.6530	2.6260-2.6300	1.45-1.35c pm	2.38	4.10-4.00 pm	6.13
Belgium	44.72-45.20	44.72-44.74	5½-8½c dis	−1.87	20-25 dis	−2.00
Denmark	8.0625-8.1300	8.0625-8.0675	2.65-2.80ore dis	−3.96	5.90-6.40dis	−3.03
W. Ger.	2.3650-2.3900	2.3670-2.3680	1.28-1.23pf pm	2.36	3.72-3.67 pm	6.24
Portugal	71.75-72.90	72.30-72.60	50-200c dis	−20.66	150-525dis	−18.59
Spain	105.95-106.60	105.95-106.05	22-28c dis	−2.82	85-95 dis	−3.38
Italy	1,310-1,321	1,310½-1,311½	11½-13 lire dis	−11.14	32¼-34¼dis	−10.08
Norway	6.0750-6.1080	6.0800-6.0820	0.35-0.75ore dis	−1.08	0.60-1.00dis	−0.52
France	6.1575-6.2375	6.1625-6.1675	9½-10½c dis	−19.31	20¾-22¼dis	−13.84
Sweden	5.8675-5.9270	5.8675-5.8725	0.50-0.30ore pm	0.81	1.75-1.55 pm	1.12
Japan	244.25-246.00	244.70-244.80	1.67-1.59y pm	7.99	4.73-4.63 pm	7.65
Austria	16.77½-16.83	16.78½-16.79½	9¼-8½gro pm	2.52	27½-24½ pm	6.20
Switz.	2.0110-2.0410	2.0170-2.0180	2.06-1.98c pm	12.01	5.35-5.27 pm	10.53

† UK and Ireland are quoted in U.S. currency. Forward premiums and discounts apply to the U.S. dollar and not to the individual currency.

CURRENCY MOVEMENTS

June 2	Bank of England Index	Morgan Guaranty Changes%
Sterling	90.7	−32.6
U.S. dollar	116.7	+8.9
Canadian dollar	86.8	−19.3
Austrian schilling	117.3	+96.4
Belgian franc	96.3	−2.3
Danish kroner	83.7	−13.8
Deutsche mark	124.4	+48.4
Swiss franc	146.3	+96.2
Guilder	116.0	+21.7
French franc	72.3	−14.4
Lira	54.1	−58.6
Yen	134.2	+29.3

Based on trade weighted changes from Washington agreement December, 1971. Bank of England index (base average 1975=100).

CURRENCY RATES

June 2	Bank rate %	Special Drawing Rights	European Currency Units
Sterling	—	0.629154	0.569132
U.S. $	12	1.11262	1.00830
Canadian $	15.43	—*	1.25483
Austria Sch.	6½	18.7815	18.8354
Belgian F.	14	50.2381	45.1238
Danish Kr.	11	8.07254	8.14186
D mark	7½	2.65426	2.39109
Guilder	9	2.95178	2.65223
French Fr.	9½	6.96858	6.23704
Lira	19	1473.94	1323.86
Yen	5½	272.909	246.311
Norwgn. Kr.	9	6.22255	6.10611
Spanish Pts.	8	119.039	106.902
Swedish Kr.	10	6.61932	5.93359
Swiss Fr.	6⅛	2.27199	2.04199
GreekDr'ch.	20½	n.a	64.2735

*C$/SDR rate for May 26; 1.40007

OTHER CURRENCIES

June 2	£	$		£ Note Rates
Argentino Peso	26,006-26,096†	14,550-14,600†	Austria	29.70-30.00
AustraliaDollar	1.7100-1.7120	0.9655-0.9660	Belgium	87.50-88.50
Brazil Cruzeiro	291.80-299.80	163.65-164.17	Denmark	14.42-14.56
Finland Markka	8.227-8.245	4.5935-4.5955	France	11.07-11.17
GreekDrachma	117.408-117.888	64.30-64.60	Germany	4.24¼-4.28½
Hong Kong Dollar	10.31-10.32⅛	5.7680-5.7730	Italy	2305-2392
Iran Rial	146.50*	81.75*	Japan	443-448
KuwaitDinar(KD)	0.51405-0.51490	0.2874-0.2872	Netherlands	4.71-4.78
Luxembourg Fr.	80.16-80.25	44.72-44.74	Norway	10.75-10.85
Malaysia Dollar	4.1075-4.1273	2.30-2.31	Portugal	126-141
New Zealand Dlr.	2.3646-2.3685	1.3150-1.3166	Spain	182¼-191¼
Saudi Arab. Riyal	6.1346-6.1413	3.4310-3.4390	Sweden	10.49-10.99
Singapore Dollar	3.7625-3.7728	2.1055-2.1088	Switzerland	3.82½-3.88½
Sth.African Rand	1.9479-1.9495	1.0866-1.0876	United States	1.77½-1.79½
U.A.E. Dirham	6.5636-6.6730	3.6710-3.6730	Yugoslavia	84-103½

† Now one rate. * Selling rate.

EMS EUROPEAN CURRENCY UNIT RATES

	ECU central rates	Currency amounts against ECU June 2	% change from central rate	% change adjusted for divergence	Divergence limit %
Belgian Franc	44.6963	45.1938	+1.11	+1.13	±1.5440
Danish Krone	8.18382	8.14181	−0.51	−0.49	±1.6425
German D-Mark	2.41815	2.39107	−1.12	−1.10	±1.1097
French Franc	6.19564	6.23704	+0.67	+0.69	±1.3743
Dutch Guilder	2.67296	2.65223	−0.78	−0.76	±1.5069
Irish Punt	0.686799	0.690505	+0.54	+0.56	±1.6689
Italian Lira	1305.13	1323.86	+1.44	+1.44	±4.1242

Changes are for ECU, therefore positive change denotes a weak currency. Adjustment calculated by Financial Times.

EXCHANGE CROSS RATES

June 2	Pound St'rling	U.S. Dollar	Deutschem'k	Japan'se Yen	FrenchFranc	Swiss Franc	Dutch Guild'	Italian Lira	Canada Dollar	Belgian Franc
Pound Sterling	1	1.793	4.245	438.5	11.045	3.620	4.710	2361.	2.233	80.20
U.S. Dollar	0.558	1.	2.368	244.6	6.162	2.020	2.638	1312.	1.245	44.74
Deutschemark	0.236	0.499	1.	103.3	2.609	0.853	1.110	553.8	0.526	18.89
Japanese Yen 1,000	2.281	4.088	9.681	1000.	25.19	8.258	10.74	5361.	5.091	182.9
French Franc 10	0.905	1.623	3.843	397.0	10.	3.279	4.264	2129.	2.021	72.21
Swiss Franc	0.276	0.495	1.173	121.1	3.051	1.	1.301	649.4	0.617	22.15
Dutch Guilder	0.212	0.381	0.901	93.10	2.346	0.769	1.	499.2	0.474	17.03
Italian Lira 1,000	0.425	0.762	1.806	186.5	4.698	1.540	2.003	1000.	0.950	34.11
Canadian Dollar	0.448	0.803	1.901	196.4	4.947	1.622	2.110	1053.	1.	35.92
Belgian Franc 100	1.247	2.235	5.293	546.8	13.77	4.514	5.873	2931.	2.784	100.

FT LONDON INTERBANK FIXING (11.00 a.m. JUNE 2)

3 months U.S. dollars		6 months U.S. dollars	
bid 14 5/8	offer 14 3/4	bid 14 11/16	offer 14 13/16

The fixing rates are the arithmetical means, rounded to the nearest one-sixteenth, of the bid and offered rates for \$10m quoted by the market to five reference banks at 11 am each working day. The banks are National Westminster Bank, Bank of Tokyo, Deutsche Bank, Banque Nationale de Paris and Morgan Guaranty Trust.

EURO-CURRENCY INTEREST RATES (Market closing Rates)

June 1	Sterling	U.S. Dollar	Canadian Dollar	Dutch Guilder	Swiss Franc	D-mark	French Franc	Italian Lira	Belgian Franc Conv.	Belgian Franc Fin.	Yen	Danish Krone
Short term	13⅛-13¼	14-14¼	18-19	9⅛-8⅝	1-1⅛	8⅝-8¾	17-22	19-22	16-19	14½-15	6¾-7	—
7 day's notice	13⅛-13⅝	14¼-14½	17⅛-18½	$8\frac{9}{16}$-$8\frac{11}{16}$	1⅛-9	$8\frac{9}{16}$-$8\frac{11}{16}$	26-31	23-29	15-17⅛	14⅞-15⅛	$6\frac{15}{16}$-$7\frac{1}{16}$	19⅛-19⅝
Month	$13\frac{5}{16}$-$13\frac{7}{16}$	14⅜-14⅝	16⅞-17	$8\frac{9}{16}$-$8\frac{11}{16}$	$3\frac{1}{16}$-$3\frac{3}{16}$	$8\frac{11}{16}$-$8\frac{13}{16}$	30-33	24⅛-25⅞	16-17	14⅞-15⅛	$6\frac{15}{16}$-$7\frac{1}{16}$	18¾-20¼
Three months	$13\frac{5}{16}$-$13\frac{7}{16}$	14½-14¾	16⅛-16¾	$8\frac{11}{16}$-$8\frac{13}{16}$	4⅛-4¼	8⅝-8¾	28½-28½	24¼-25	16-17	14⅞-15⅛	$7\frac{1}{16}$-$7\frac{3}{16}$	19¾-21
Six months	$13\frac{5}{16}$-$13\frac{7}{16}$	$14\frac{9}{16}$-$14\frac{11}{16}$	$19\frac{1}{16}$-$19\frac{3}{16}$	9¾-8⅞	4⅞-5	8⅝-8¾	23½-24½	24⅛-24¾	16-17	14⅞-16⅛	$7\frac{1}{16}$-$7\frac{3}{16}$	18⅝-20⅛
One Year	$13\frac{5}{16}$-$13\frac{7}{16}$	14½-14¼	$16\frac{1}{16}$-$16\frac{3}{16}$	$8\frac{11}{16}$-$8\frac{13}{16}$	$5\frac{1}{16}$-$5\frac{3}{16}$	8⅝-8¾	21-22	23⅝-24⅛	15½-16½	14⅝-14⅝	7⅛-7¼	17⅛-19

SDR linked deposits: one month $14\frac{5}{16}$-$14\frac{11}{16}$ per cent; three months $13\frac{13}{16}$-$14\frac{3}{16}$ per cent; six months 13⅜-13¾ per cent; one year $12\frac{11}{16}$-$13\frac{5}{16}$ per cent.

ECU linked deposits: one month $16\frac{3}{16}$-$16\frac{7}{16}$ per cent; three months $15\frac{3}{16}$-$15\frac{7}{16}$ per cent; six months $14\frac{5}{16}$-$14\frac{11}{16}$ per cent; one year $13\frac{9}{16}$-$13\frac{13}{16}$ per cent.

Asian $ (closing rates in Singapore): one month 14½-14⅝ per cent; three months 14⅝-14¾ per cent; six months 14½-14⅝ per cent; one year $14\frac{7}{16}$-$14\frac{9}{16}$ per cent. Long-term Eurodollar two years 14¾-15 per cent; three years 14⅞-15⅛ per cent; four years 15-15¼ per cent; five years 15⅛-15⅜ per cent; nominal closing rates. Short-term rates are call for U.S. dollars, Canadian dollars and Japanese yen; others two days' notice.

The following rates were quoted for London dollar certificates of deposit: one month 14.15-14.25 per cent; three months 14.20-14.30 per cent; six months 14.30-14.40 per cent; one year 14.20-14.40 per cent.

MONEY MARKETS

Further fall in London rates

UK clearing bank base lending rate 13 per cent (since March 12)

Interest rates continued to ease in the London money market yesterday, with three-month interbank funds declining to $13\frac{5}{16}$ per cent from $13\frac{7}{16}$ per cent.

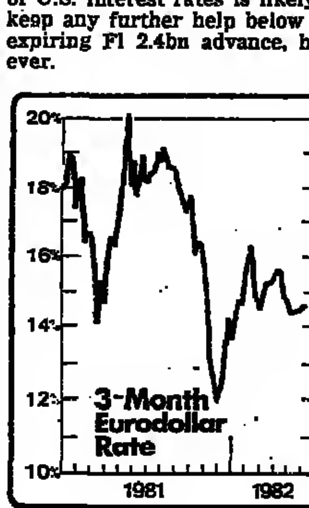
Day-to-day credit was in slightly short supply, although a surplus was expected at the beginning of the day. According to the first forecast from the Bank of England the market was expected to show a surplus of £100m, but this was revised to £50m at noon, and to a shortage of £50m in the afternoon. The *major factors were:* bills maturing in official bands, and a net market take-up of Treasury bills —£142m, offset by Exchequer transactions +£90m, and a fall in the note circulation +£40m.

The Bank of England did not intervene during the morning, but bought £32m of bank bills in the afternoon to inject a small amount of liquidity. These were by way of £26m in band 2 (15-33 days) at 13 per cent, and £6m in band 4 (64-84 days) at 12¾ per cent.

In the interbank market overnight loans opened at 13¼-13⅜ per cent and stayed around 12¾-13 per cent for most of the morning, before touching a peak of 13½-14 per cent in the afternoon, but *falling* sharply to 8 per cent at the close.

In Frankfurt call money was slightly firmer at 9 per cent, compared with 8.975 per cent on Tuesday, and conditions are expected to be fairly tight for most of the coming month. Large corporate tax payments will drain liquidity, probably requiring an extension of assistance to the money market through securities repurchase agreements. Two agreements, totalling DM 12.5bn expire on June 7 and 14. Today's central council meeting may be the occasion when a new repurchase agreement is announced. The authorities are unlikely to wish to see any excess liquidity driving down interest rates, however, as this would further weaken the D-mark against the very strong dollar.

In Amsterdam interest rates showed a firmer trend, with call money rising to 8¼-8½ per cent from 5-6 per cent. Period rates also showed an upward trend in line with firmer U.S. rates. A special liquidity advance expires today, covering normal financing requirements in excess of quota allocations, and it was hoped that the Dutch central bank would offer a further advance to the market. Fear about the direction of U.S. interest rates is likely to keep any further help below the expiring Fl 2.4bn advance, however.



EUROCURRENCIES

$ rates firm

Eurodollar interest rates were firmer yesterday, but this failed to prevent an easing of the dollar in spot foreign exchange trading as a result of profit-taking after Tuesday's sharp rise. The firmness of Eurodollar rates also led to a decline of the U.S. currency in the forward market.

Eurosterling rates showed an easier trend, in line with softer domestic London interest rates, resulting in a strengthening of the pound in forward trading.

Other rates tended to increase as Eurodollar rates moved up. Euro D-marks were slightly firmer, and Euroyen rates also had a slightly firmer tone. On the other hand Euro Swiss francs were easier, while all these strong currencies improved against the U.S. currency forward.

French franc rates were little changed, after Tuesday's sharp rise, but Eurolira rates were firmer, widening the Italian currency's forward discount against the dollar.

MONEY RATES

NEW YORK

Prime rate	16-16½
Fed funds (lunch-time)	13¾-14
Treasury bills (13-week)	11.85
Treasury bills (26-week)	12.00

GERMANY

Lombard	9.0
Overnight rate	9.0
One month	9.19
Three months	9.125
Six months	8.925

FRANCE

Intervention rate	16.0
Overnight rate	19.25
One month	16.3125
Three months	18.3125
Six months	15.5

JAPAN

Discount rate	5.5
Call (unconditional)	7.28125
Bill discount (three-month)	7.21875

LONDON MONEY RATES

June 2 1982	Sterling Certificate of deposit	Interbank	Local Authority deposits	Local Auth. negotiable bonds	Finance House Deposits	Company Deposits	Discount Market Deposits	Treasury Bills ♦	Eligible Bank Bills ♦	Fine Trade Bills ♦
Overnight	—	8-14	13-13¼	—	—	13-16¼	10-13	—	—	—
2 days notice	—	—	13¼	—	—	—	—	—	—	—
7 days or	—	—	—	—	—	—	—	—	—	—
7 days notice	—	13¼-16⅛	13⅛	—	—	13½-13⅝	13	—	—	—
One month	$13\frac{5}{16}$-$13\frac{1}{16}$	16⅛-13½	13¼	13⅞-13½	13¼	13½	13	$13\frac{1}{16}$	$13\frac{1}{16}$	13⅝
Two months	$13\frac{5}{16}$-$13\frac{3}{16}$	13¼-13⅜	—	13¾-13⅜	13¼	13½	12¾-12⅞	12⅞	$12\frac{15}{16}$	13½
Three months	$13\frac{5}{16}$-$16\frac{7}{16}$	13⅛-13¼	13⅛	13¾-13⅜	13¼	13½	12⅝-12¾	$12\frac{13}{16}$	$12\frac{13}{16}$	13⅜
Six months	$13\frac{1}{16}$-$12\frac{15}{16}$	13-16⅛	13	12½-19⅛	13¼	—	—	—	$12\frac{7}{16}$	13
Nine months	16-12⅞	$13\frac{1}{16}$-$13\frac{1}{16}$	—	13⅝-16	13¼	—	—	—	—	—
One year	13-19⅞	$13\frac{1}{16}$-$13\frac{1}{16}$	16	13¼-12⅞	13¼	—	—	—	—	—
Two years	—	—	13⅛	—	—	—	—	—	—	—

Local authorities and finance houses seven days' notice, others seven days fixed. Long-term local authority mortgage rates, nominally three years 13¾ per cent; four years 13⅞ per cent; five years 13⅞ per cent. ♦Bank bill rates in table are buying rates for prime paper. Buying rates for four-month bank bills 12½ per cent; four-months trade bills 13⅛ per cent.

Approximate selling rates for one month Treasury bills $12\frac{15}{16}$ per cent; two months $12\frac{27}{32}$ per cent; three months $12\frac{27}{32}$ per cent. Approximate selling rate for one month bank bills $12\frac{15}{16}$ per cent; two months $12\frac{15}{16}$ per cent and three months $12\frac{7}{16}$ per cent; one month trade bills 13⅝ per cent; two months 13¼ per cent; three months 13⅛ per cent.

Finance Houses Base Rates (published by the Finance Houses Association) 14 per cent from June 1 1982. London and Scottish Clearing Bank Rates for lending 13 per cent. London Clearing Bank Deposit Rates for sums at seven days' notice 10-10¼ per cent. Treasury Bills: Average tender rates of discount 12.6575 per cent.

Certificates of Tax Deposit (Series 6) 13¾ per cent from May 14. Deposits withdrawn for cash 11 per cent.

FT UNIT TRUST INFORMATION SERVICE

AUTHORISED TRUSTS

INSURANCES

Abbey Life Assurance Co. Ltd.
1-3 St. Paul's Churchyard, EC4. 01-248 9111

Property Fund	227.5	[illegible]	----	—
Equity Fund	53.2	[illegible]	----	—
Property Acc.	266.5	[illegible]	----	—
Equity Acc.	50.9	[illegible]	----	—
Selective Fund	150.8	[illegible]	----	—
Money Fund	166.2	[illegible]	----	—
Convertible Fund	178.4	[illegible]	----	—
Prop. Fd. Ser. 4	210.1	[illegible]	----	—
Equity Ser. 4	52.7	[illegible]	----	—
Man. Ser. 4	201.6	[illegible]	----	—
Money Ser. 4	150.8	[illegible]	----	—
Conv. Ser. 4	158.9	[illegible]	----	—
Fixed Int. Fd. Ser. 4	117.8	[illegible]	----	—
American Ser. 4	109.8	[illegible]	+0.7	—
High Inc. Ser. 4	118.3	[illegible]	----	—
Indexed Inc. Series 4	96.8	[illegible]	----	—
Pension Property	417.5	[illegible]	----	—
Pension Equity	291.2	[illegible]	-1.3	—
Pension Selective	152.6	160.0	----	—
Pension Managed	297.3	[illegible]	-0.6	—
Pension Security	221.1	[illegible]	----	—
Pension Fixed Int.	114.0	[illegible]	----	—
Pension Indexed Inv.	96.9	[illegible]	----	—

Albany Life Assurance Co. Ltd.
31, Old Burlington St., W.1. 01-437 5962

Equity Fd. Acc.	327.9	345.1	-0.2	—
Fixed Int. Acc.	196.4	206.7	+0.1	—
Gtd. Money Fd. Ac.	158.7	163.9	----	—
Intl. Man. Fd. Acm.	146.0	153.6	+0.2	—
Intl. Fxd. Int. Fd.	107.6	113.2	-0.7	—
Prop. Fd. Acc.	158.9	167.2	----	—
M'ple Inv. Acc.	254.2	267.6	----	—
Equity Pen.Fd.Acc.	452.5	476.3	-0.4	—
Fixed I.Pen.Acc.	316.0	332.6	+0.4	—
G'td.Mon.Pen.Acc.	215.2	226.5	+0.1	—
Intl.Mn.PnFdAcc.	168.8	177.7	+0.4	—
Prop.Pen.Acc.	209.3	220.3	----	—
M'ple Inv.Pen.Acc.	369.4	388.8	+0.1	—

Crown Life—Continued

St. George Mangd. Fd.	109.4	[illegible]	----	—
Lincs & Gen.Fd.	119.8	[illegible]	----	—
Sage Fd.	99.0	[illegible]	----	—
Heritage Fd.	98.6	[illegible]	----	—
DBS Managed	104.4	[illegible]	----	—
Crown. Brit. Inv. A	217.2		----	—
Pens. Mixed. Fd.	248.3	[illegible]	----	—
Pens. Mang'd. Acc.	110.5	[illegible]	----	—
Pens. Mang'd. Init.	107.1	[illegible]	----	—
Pens. Equity Acc.	101.6	[illegible]	----	—
Pens. Equity Init.	98.4	[illegible]	----	—
Pens. Fxd. Int. Acc.	106.5	[illegible]	----	—
Pens. Fxd. Int. Init.	103.2	[illegible]	----	—
Pens. Money Acc.	108.0	[illegible]	----	—
Pens. Money Init.	104.6	[illegible]	----	—

Crusader Insurance PLC
Tower Hse, 38 Trinity Sq, EC3N 4DJ 488 2323

Growth Prop May 4	100.3	110.1	----	—
Managed Pens May 12	116.81	122.96	----	—

Eagle Star Insur./Midland Assur.
1, Threadneedle St., EC2. 01-588 1212

Eagle/Mid. Units	79.1	82.0	-0.2	6.04

Equity & Law Life Ass. Soc. Ltd.
Amersham Road, High Wycombe. 0494 33377

UK Equities Fund	189.7	199.6	-0.9	—
Higher Inc. Fund	121.9	128.3	-0.2	—
Property Fund	191.4	201.4	----	—
Fixed Interest Fund	141.7	149.1	+0.1	—
Index Linked Secs Fnd.	93.5	98.4	----	—
Gtd. Deposit Fund	134.9	142.0	----	—
Nth. America Fund	104.2	109.6	-0.8	—
Far East Fund	86.3	90.8	-0.9	—
International Fund	98.8	103.9	-0.8	—
Mixed Fund	167.3	176.1	-0.4	—

Equity & Law (Managed Funds) Ltd.
Amersham Road, High Wycombe. 0494 33377

Ind. Pen. Equity	190.4	200.4	----	—
Ind. Pen. Property	142.9	[illegible]	----	—

INSURANCE & OVERSEAS MANAGED FUNDS

Life Assur. Co. of Pennsylvania
8, New Rd., Chatham, Kent. Medway 812348

LACOP Units	11.72	12.31	----	—

Lloyds Life Assurance
20, Clifton St., EC2A 4HX 01-920 0202

Multi Gwth. May 6	[illegible]	[illegible]	----	—
Op. 5 Prop. A May 27	[illegible]	[illegible]	----	—
Op. 5 Equity May 27	[illegible]	[illegible]	----	—
Op. D Hy. May 27	[illegible]	[illegible]	----	—
Op. N Man. May 27	[illegible]	[illegible]	----	—
Op. 8 Dep. 27	[illegible]	[illegible]	----	—
Op. In. 8 May 27	[illegible]	[illegible]	----	—
Op. 8 Inc. D May 27	[illegible]	[illegible]	----	—
U.S.$ F.I. May 27	[illegible]	[illegible]	----	—
G & C Pp. Fd May 27	[illegible]	[illegible]	----	—

Norwich Union Insurance Group
PO Box 4, Norwich NR1 3NG. 0603 22200

NUIG (Managed Funds) Ltd.

Managed Fund	327.1	344.3	-0.9	—
Equity Fund	564.5	523.9	-2.4	—
Property Fund	214.5	225.8	----	—
Fixed Int. Fund	201.7	212.3	+0.3	—
Deposit Fund	148.60	156.4	+0.1	—

Norwich Union Life Insurance Society Pinsioncitie

Fixed Interest*	119.3	125.5	----	—
Ordinary Share*	124.7	131.2	----	—
Property*	107.7	113.3	----	—
Deposit*	101.1	106.5	----	—
Index Linked Secs.*	103.5	108.9	----	—
Mixed*	118.2	124.4	----	—

Prices at May 20.

Nor. Units May 15	321.2		----	—

Pearl Assurance (Unit Funds) Ltd.
252 High Holborn, WC1V 7EB. 01-405 8441

Inv. Prop. Dist.	132.3	139.3	----	—
Inv. Prop. Acc.	273.7	[illegible]	----	—
Inv. Equity	177.2	[illegible]	----	—
Inv. Managed	161.5	170.1	----	—

Pearl Assurance (Unit Linked Pensions) Ltd.

Ret. Managed	132.3	139.3	----	—

Phoenix Assurance Co. Ltd.
4-5 King William St., EC4P 4HR. 01-626 9876

Wealth Ass.	179.4	188.8	+2.3	—
Eb'r. Ph.Eq.E.	166.3	123.8	----	—

Pioneer Mutual Insurance Co. Ltd.
16, Crosby Rd., N. Waterloo, L'pool 051-928 6655

OFFSHORE AND OVERSEAS

Wren Commodity Management Ltd.
10, St. George's St., Douglas IoM 0624 25015

Wren Com. Fund	39.0	40.6	----	6.60
Chinese Fund	75.5	78.7	----	9.30
Precious Metal Fund.	176.5	183.2	----	8.30
Vanguard Cmdy. Fd.	43.7	44.8	----	2.30
Financial Futures Fd.	101.2	105.4	----	—
Wren Intl. Fnd.*	$0.935	0.973	----	—

NOTES

Prices are in pence unless otherwise indicated and those designated $ with no prefix refer to U.S. dollars. Yields % (shown in last column) allow for all buying expenses. a Offered prices include all expenses. b Today's prices. c Yield based on offer price. d Estimated. g Today's opening price. h Distribution free of UK taxes. p Periodic premium insurance plans. s Single premium insurance. x Offered price includes all expenses except agent's commission. y Offered price includes all expenses if bought through managers. Z Previous day's price. ¶ Guernsey gross. ‡ Suspended. ♦ Yield before Jersey tax. † Ex-subdivision. ‡‡ Only available to charitable bodies.

FT SHARE INFORMATION SERVICE

BRITISH FUNDS

1982 High	Low	Stock	Price £	+ or −	Yield Int.	Red.
		"Shorts" (Lives up to Five Years)				
99⅞	96⅝	Treasury 8¼pc '82	99⅞xd	.....	—	13.91
98¾	95⅝	Exch. 9¼pc 1982	98¾	.....	9.37	13.16
98⅜	94⅜	Exch. 8¼pc 1983	98⅜xd	.....	8.89	12.71
94¼	91	Exch. 3pc 1983	94¼	.....	3.18	11.47
99¼	95¾	Treasury 12pc 1983‡‡	99¼	.....	12.09	12.90
97⅞	92⅞	Treasury 9¼pc '83	97⅞	.....	9.45	11.32
101¾	95⅞	Exch. 13½pc '83	101¾	.....	13.27	12.11
97¾	91⅞	Exch. 10pc 1983	97¾xd	.....	10.23	11.65
93¼	87⅞	Funding 5½pc '82-84‡‡	92¾	+¼	5.93	10.46
98⅜	91⅞	Exch. 11¼pc 1984	98⅜	+⅛	11.47	12.44
102¼	96¼	Exchequer 14pc 1984	102⅛	+⅛	13.71	12.80
89	81⅛	Exch. 3pc 1984	89xd	+½	3.37	9.01
98¼	91½	Treasury 12pc 1984	98¼	+⅛	12.21	12.83
104	96¾	Treasury 15pc 1985	104	.....	14.42	13.32
97⅞	89½	Exch. 12pc Cnv. '85	97⅞	.....	12.26	12.89
82½	73½	Treasury 3pc 1985	82½	+⅛	3.64	10.82
95⅞	87½	Treasury 11½pc 1985	95⅞	+⅛	11.99	13.15
97⅝	88⅝	Exch. 12¼pc 1985	97⅝	.....	12.55	13.20
95⅝	86⅛	Exch. 11¾pc '86	95⅝	.....	12.29	13.25
78¼	69	Treasury 3pc 1986	78¼	.....	3.83	9.75
96½	86¾	Treasury 12pc '86	96½xd	+⅛	12.44	13.16
89¼	80⅝	Treasury 8¼pc '84-86‡‡	89	.....	9.55	11.97
101¾	91⅞	Exch. 14pc 1986	101¾	.....	13.76	15.43
103⅞	90	Exch. 13¼pc 1987	99⅝	.....	13.33	13.41
99⅝	84⅝	Do. A	99⅛	+⅛	13.37	13.48
82½	73⅞	Funding 6½pc '85-87‡‡	81	.....	8.02	11.69
		Five to Fifteen Years				
72⅞	64½	Treasury 3pc 1987	72⅞	+⅛	4.20	10.33
98¼	85⅞	Treas. 12pc 1987	94¾	.....	12.80	13.65
83½	72½	Treasury 7¾pc '85-88‡‡	83½	.....	9.59	12.59
67	60⅞	Transport 3pc '78-88	66⅝xd	.....	4.50	10.53
92⅝	79⅞	Treasury 11½pc 1989	92⅝	.....	12.86	13.95
67	62½	Treasury 5pc '86-89	67	.....	7.54	12.00
100⅝	85⅞	Treasury 13pc 1990‡‡	100⅝	.....	13.59	13.92
95½	85⅝	Exch. 12½pc 1990	95½	.....	13.44	13.98
80¼	70⅝	Treasury 8¼pc '87-90‡‡	78½xd	.....	10.47	12.52
95½	77⅞	Treasury 11¾pc 1991	93½	.....	13.22	14.60
66¾	59⅝	Funding 5¾pc '87-91‡‡	66¾	.....	8.74	12.16
89⅝	76⅜	Exch. 11pc 1991	86⅜	.....	12.91	13.85
98¼	82⅞	Treasury 12¾pc '92‡‡	98¼	.....	13.62	13.95
83½	70	Treasury 10pc 1992	83½	.....	12.39	13.62
94	80⅞	Exch. 12¼pc '92	94	.....	13.50	13.97
97⅞	85⅝	Exchequer 13½pc '92	97⅞	.....	13.89	14.00
97	80⅝	Treasury 12½pc '93‡‡	97	.....	13.56	13.89
63½	56¼	Funding 6pc 1993‡‡	63½	.....	9.65	13.26
104	82	Treasury 13¾pc 1993‡‡	93½	.....	13.88	13.90
105¾	91⅝	Treasury 14½pc '94‡‡	106¼	.....	14.00	13.95
101½	86¾	Exchequer 13½pc 1994	98⅜	.....	13.92	14.01
95¾	80⅞	Exch. 12½pc 1994	95¼	.....	13.62	13.91
78⅜	66¾	Treasury 9pc '94‡‡	75⅝	+¼	11.96	13.08
93⅞	78½	Treasury 12pc '95	93⅞	.....	13.50	13.88
47⅜	42⅝	Gas 3pc '90/95	45¾	.....	6.60	11.01
83½	63½	Exch. 10¼pc 1995	83½	.....	12.85	13.59
99⅝	83¾	Treasury 12¾pc '95‡‡	94¾	.....	13.56	13.71
105¼	86½	Treas. 14pc '96	105¼	.....	13.97	13.95
75⅝	66⅝	Treasury 9pc '92/96‡‡	75⅝	.....	12.18	13.13
114⅞	96	Treasury 15¼pc '96‡‡	109¼	.....	14.13	13.93
102⅞	86	Exchequer 13¼pc '96‡‡	98⅛	.....	13.60	13.66
47	43⅛	Redemption 3pc 1986-96	46½	.....	6.52	10.28
102⅛	83½	Treasury 13¼pc '97‡‡	102⅛	.....	13.61	13.66
84½	69⅞	Exchequer 10½pc 1997	84½	.....	12.87	13.39
		Over Fifteen Years				
74¼	64	Treasury 8¾pc 1997‡‡	74¼	.....	12.15	13.80
110⅞	94¾	Exch. 15pc 1997	108⅞	.....	14.04	13.89
64	54⅞	Treasury 6¾pc '95-98‡‡	61½	.....	11.09	12.65
113	69⅛	Treas. 15½pc '98‡‡	113	.....	14.06	13.87
94⅛	76¼	Exch. 12pc 1998	90½	.....	13.33	13.51
79¾	65	Treasury 9½pc 1999‡‡	79¾	.....	12.48	13.04
93⅞	81¼	Exch. 12¼pc 1999	93⅞	.....	13.38	13.52
69⅝	71⅛	Treasury 10½pc 1999	82⅛	.....	12.85	13.23
101⅝	82¾	Treas. 13pc 2000	101⅝	+⅛	13.45	13.50
107	89	Treas. 14pc '98-01	102⅝	+⅛	13.70	13.66
94⅞	76½	Exch. 12pc '99-02	94¼	.....	13.27	13.38
106	85⅞	Treas. 13¾pc 2000-03	106	+⅛	13.60	13.57
90⅞	79¼	Treasury 11½pc '01-04	90⅞	+⅛	13.00	13.10
38	35¼	Funding 3½pc '99-04	37½	.....	9.68	13.54
99⅝	81⅝	Treasury 12½pc '03-05	95½	+¼	13.15	13.18
67⅞	59⅝	Treasury 8pc '02-06‡‡	67⅞	.....	12.11	12.45
94⅛	75⅞	Treasury 11¾pc '03-07	94⅛	.....	13.07	13.13
104⅛	90	Treas. 13½pc '04-08	104⅛	+¼	13.29	13.26
49¾	44¼	Treasury 5½pc '08-12‡‡	49¾	+⅛	11.35	11.74
66¼	55⅝	Treasury 7¾pc '12-15‡‡	66¼	.....	12.20	12.33
98	81⅛	Exch. 12pc '13-'17	94¼xd	.....	12.69	12.70
		Undated				
32⅞	27⅞	Consols 4pc	32⅞	.....	12.68	—
50¼	26⅝	War Loan 3½pc‡‡	28⅞	.....	12.13	—
34¼	31½	Conv. 3½pc '61 Aft.	33⅞	.....	10.52	—
23¾	21	Treasury 3pc '66 Aft.	23¾	.....	12.99	—
20⅝	17¾	Consols 2½pc	20xd	.....	12.39	—
20	17½	Treasury 2½pc	20	.....	12.78	—
		Index-Linked & Variable Rate				
100⅛	99⅝	Treas. Variable '83	100	.....	13.17	13.11
97⅞	95	Do. 2pc I.L. '88	97⅞	.....	1.05	2.69
106	93	Do. 2pc I.L. '96	99¾	.....	2.32	1.99
101½	86⅜	Do. 2pc I.L. '06	94⅛	.....	2.38	2.85
104	90	Do. 2½pc I.L. 2011	95¾	−⅛	2.65	2.85

INT. BANK AND O'SEAS GOVT. STERLING ISSUES

1982 High	Low	Stock	Price £	+ or −	Yield Int.	Red.
99¾	92¾	Finland 14½pc Ln 1986	99½	−¼	14.57	14.64
95½	93½	Int. Bank 5pc '77/82	98½	.....	5.04	11.60
98⅜	90¾	Do. 13½pc Ln 1986	98¼xd	.....	13.67	13.90
30¼	27½	Do. 14pc Ln '87 (£30pd)	30	−⅛	14.06	14.13
101¼	94⅞	Mex 16½pc 2008	97½	.....	17.69	18.31
98⅛	90⅜	Sweden 13½pc 1986	98¼xd	.....	13.74	14.06

CORPORATION LOANS

1982 High	Low	Stock	Price £	+ or −	Yield Int.	Red.
92½	85	Bath 11¾pc 1985	92¾	.....	12.20	14.14
96¼	89¼	Birm'ham 12½pc 1985	96¼	.....	12.98	14.03
99⅞	87	Burnley 13pc 1987	95¼xd	.....	13.61	14.28
90½	83⅞	Cardiff 11pc 1986	90⅛	.....	12.18	14.01
99½	94¾	G.L.C. 12½pc '83	99½	.....	12.56	12.96
99½	94⅝	Do. 13¼pc 1984	99¼	.....	13.35	13.72
99¼	94¾	Glasgow 9¼pc '80-82	99¼	.....	9.32	11.02
77	67½	Herts 6½pc 1985-87	77xd	.....	9.01	13.63
98	85	Leeds 13½pc 2006	95xd	.....	14.51	15.54
93½	87½	Liverpool 9½pc '80-84	93¼	.....	10.46	13.75
25½	21½	Do. 3½pc Irred.	25½	.....	14.24	—
100	95½	Lon. Corp. 13¼pc '83	100	.....	13.25	13.54
90	82¼	Do. 9½pc '84-85	89¼	.....	10.57	13.29
85¾	78¾	LCC 5½pc '82-84	85	.....	6.48	13.80
72⅞	64¼	Do. 5½pc '85-87	71½	.....	7.72	13.39
67¾	56	Do. 6¾pc '88-90	67¼	.....	10.42	14.19
22¼	19½	Do. 3pc '20 Aft.	22	.....	13.88	—
97	90¼	Sunderland 12¼pc 1984	97	.....	12.63	13.64

COMMONWEALTH AND AFRICAN LOANS

1982 High	Low	Stock	Price £	+ or −	Yield Int.	Red.
92	85¼	Aust. 6pc 1981-83	91⅞	+⅛	6.55	12.30
67	57	N.Z. 7½pc 1988-92	64xd	.....	11.19	13.82
86	74⅞	Do. 7½pc '83-86	83⅞xd	.....	8.93	12.67
161	136	S. Rhod. 2½pc Non-Ass.	159	−1½	—	—
66	58	Do. 3½pc 80-85 Asstd.	66	.....	5.30	17.80
41	32	Do. 4½pc 87-92 Asstd.	40xd	.....	11.31	17.60
372	318	Zimbabwe Ann (£100pd)	362xd	.....	20.80	20.20

LOANS

Public Board and Ind.

1982 High	Low	Stock	Price £	+ or −	Yield Int.	Red.
66	57¾	Agric. Mt. 5pc '59-89	62	.....	8.33	14.07
29¼	24¾	Met. Wtr. 3pc 'B'	29	.....	10.59	13.11
114	109	U.S.M.C. 9pc 1982	112	.....	0.04	—
101	94	Do. without Warnts.	101	.....	8.91	—

LOANS—Continued

1982 High	Low	Stock	Price £	+ or −	Yield Int.	Red.
		Financial				
100¼	95½	FFI 14pc '83	100¼	+½	13.96	13.83
98½	94	FFI(UK Fin)5½pcDb. '80-2	98½xd	.....	5.58	13.70
86	80	Do. 6¼pcDb. '81-84	85½xd	.....	7.33	13.46
94½	82½	Do. 10½pc Uns.Ln. '86	94½	.....	11.65	14.18
92	78	Do. 11pc Uns.Ln. '88	92	.....	12.58	13.75
93	78	Do. 11¼pc Uns.Ln. '90	93	.....	13.36	14.45
92¾	82	Do. 12½pc Un. Ln. 1992	92¾xd	.....	13.47	13.90
65	54	Do. 7¾pcADeb. '89-92	65	.....	11.75	14.41
61½	53	Do. 7¼pcADeb. '91-94	61½xd	.....	11.78	13.60
71½	62	Do. 9pc 'A' '91-94	71½xd	.....	12.92	14.38
68½	57⅞	Do. 8¾pcLn. '92-97	68½xd	.....	13.46	14.53
		Building Societies				
100½	98⅞	Nat'wide 14¼pc 11.8.82	100	.....	14.75	14.37
100½	98¼	Do. 13¾pc 25.8.82	100⅛	.....	14.73	13.86
101	99	Do. 15¾pc 29.9.82	100¼	.....	15.94	14.13
101⅞	99¼	Do. 16¼pc 27.10.82	100¾xd	.....	16.13	13.93
101	99½	Do. 15¾pc 24.11.82	100¾xd	.....	15.26	13.47
101⅜	99¼	Do. 15¾pc 13.12.82	101xd	.....	15.10	13.21
101¼	99¾	Do. 16¼pc 17.1.83	101⅜	.....	16.03	13.93
101½	100	Do. 15⅝pc 7.2.83	100⅞	.....	15.49	14.26
100⅝	99⅝	Do. 14¼pc 14.3.83	99⅞	.....	14.27	14.42
100½	99⅝	Do. 14¼pc 4.4.83	99⅞	.....	14.27	14.41

FOREIGN BONDS & RAILS

1982 High	Low	Stock	Price £	+ or −	Div. % Gross	Red. Yield
85	65	Antofagasta Rly	84	+3	♦10	†12.98
67	55	Do. 5pc Pref.	63	.....	♦5	†8.16
98	98	Chilean Mixed	98	.....	3	†3.10
16	13	Chinese 4½pc 1898	13	.....	—	—
13	11	Do. 5pc 1912	11½	.....	—	—
12	8	Do. 5pc 1913	8	.....	—	—
10½	8	Do. 5pc '25 Boxer	9	.....	—	—
44	42	Greek 7pc Ass.	43	.....	3½	8.14
42	40	Do. 6pc 28 Stb. Ass.	41	.....	3	7.51
38	35	Do 4pc Mixed Ass.	38	.....	2	5.40
35	30	Hung. '24 Ass.	33xd	.....	2¼	8.37
102¼	87½	Hydro Quebec 15pc Ln 2011	98½xd	+¼	15	15.24
67	58	Iceland 6½pc '83-88	67	.....	6½	15.43
93¾	80	Do. 14½pc Ln. 2016	93¾	+½	14½	16.31
98	87¾	Ireland 7¾pc '81-83	98	.....	7½	12.13
75	62½	Do. 9¾pc '91-96	75	.....	9¾	14.25
250	235	Japan 4pc '10 Ass	245	.....	—	—
77	67	Do. 6pc '83-88	68	.....	6	14.01
161	161	Peru Ass. 2007	161	.....	5.22	17.52
93¾	79½	Pet. Mx 14½pc '06	81xd	.....	14½	18.51
$79	$75	Turin 9pc 1991	$75	.....	9	†12.00
DM90	DM87	Turin 6½pc 1984	DM87	.....	6½	11.60

AMERICANS

1982 High	Low	Stock	Price £	+ or −	Div. Gross	C'vr	Y'ld Gr's
17½	13½	Abbott Labs.‖	16⅛	−⅛	84c	—	2.9
14⅞	11¾	Alcoa 1$	13⅛	−¼	$1.80	—	7.6
25⅛	12⅛	Amax $1	12⅛xd	−⅜	60c	—	2.7
15⅜	10⅝	Amdahl	11⅞	.....	40c	—	1.9
28⅝	21⅛	Amer. Express $0.60	23⅝	−¼	$2.20	—	5.2
13⅝	10¼	Amer. Medical Intl. $1	11½	−½	52c	—	2.5
22⅝	17	Amer. Nat. Res. $1	17	.....	$3.00	—	9.8
32⅛	28	American T. & T. Co.	29¼	−⅜	$5.40	—	9.7
10¾	917p	Bank America Corpn.	917p	−22	$1.52	—	9.2
19⅝	15⅝	Bankers N.Y. $10	15⅝xd	−½	$2.05	—	7.3
31	27½	Bendix Corp. $5	28¾	.....	$3.32	—	6.4
13⅛	10⅛	Beth Steel $8	10⅛	−⅛	$1.60	—	8.8
19	15	Brown'g Fer. c16⅔	16¾	+⅛	$1.00	—	3.3
10¼	828p	Brunswick Corpn.‖	10⅛	+⅛	$1.00	—	5.4
21¾	17¾	C.P.C. $½	19½	.....	$2.10	—	6.0
32	20⅝	Caterpillar$‖	20⅝	+½	$2.70	—	7.2
304	23⅝	Chase M'htn.$12.5	23⅝	−⅜	$3.40	—	8.0
20⅞	15	Chesebrough $1	19xd	.....	$1.72	—	5.0
27⅝	177p	Chrysler $6¼	329p	−7	—	—	—
16⅝	12⅞	Citicorp $4	14¼xd	−⅛	$1.72	—	6.7
14⅞	11⅛	City Inv. $1.25	12⅞	−½	$1.78	—	7.3
21⅛	17⅜	Do. Cm. Prf. B $1	19⅜	−⅜	$2.00	—	5.6
10¼	945p	Colgate-P. $1	966p	−15	$1.20	—	6.9
29⅝	12⅛	Colt Inds. $1	13⅝	.....	$1.00	—	7.3
20½	14⅞	Cons. Foods $1⅓	18	.....	$2.12	—	6.5
19½	14⅝	Cont. Illinois $10	14⅝	−¼	$2.00	—	7.7
15	10⅝	Crown Zell. $5	10⅝xd	+⅛	$2.30	—	12.0
515p	335p	Damson Oil US$0.4	450p	+5	—	—	—
16⅛	13⅝	Dana Corp. $1	15⅛xd	−⅛	$1.60	—	3.7
17½	15	Eaton Crp. $0.50	16⅛	+⅛	$1.72	—	5.9
28⅛	23⅞	Esmark $1	25⅛xd	−⅛	$1.84	—	4.0
16½	14½	Exxon $	15⅛xd	.....	$3.00	—	10.6
886p	572p	Fst. Corp. America	749p	−15	68c	—	5.1
10⅞	650p	First Chicago $5	952pxd	−1	$1.20	—	7.0
15⅞	959p	Fluor Corp. $⅝	959pxd	−53	80c	—	1.2
13½	800p	Ford Motor $2	12⅝	−⅛	—	—	—
17½	14¼	GATX $⅝	14⅜	−¼	$2.40	—	9.3
37⅛	29½	Gen. Elect. $2½	34½	−⅛	$3.20	—	3.5
20⅞	16⅞	Gillette $1	18⅞	.....	$2.10	—	6.4
18⅜	15⅞	Gulf Oil‖	18⅜	+⅛	$2.80	—	8.4
42¼	33⅞	Honeywell $1.50	38⅝xd	.....	$3.40	—	4.9
20⅝	12⅞	Hutton (E. F.) $1	13¾	−⅛	80c	—	3.2
37⅛	29⅞	I.B.M. Corp. $1.25	34½	.....	$3.44	—	3.5
30	24⅞	Ingersoll-R $2	25	−⅛	$3.56	—	7.9
769p	640p	I. U. International‖	679p	−8	$1.10	—	9.0
16⅛	13⅝	Int. Tel. & Tel. $1	13⅝	−⅛	$2.68	—	11.1
925p	670p	Kaiser Al. $⅓	700p	−8	60c	—	4.8
441p	115p	Lionel Corp. $0.10	120p‡	.....	20c	—	9.3
14⅝	10¼	Lone Star Inds.	10⅞xd	.....	$1.90	—	10.2
17⅞	13⅝	Louisiana Land $0.15	14⅛	+⅛	$1.80	—	6.6
880p	635p	Lowes US$0.50	812p	−5	48c	—	3.3
18⅝	15¾	Manf. Han. US$7.50	15¾xd	.....	$2.92	—	10.2
18½	13⅛	Merrill Lynch $1	14⅝	.....	$1.28	—	4.9
32⅞	26⅞	Morgan (JP) US$2.5	28xd	−⅞	$3.40	—	6.7
12½	978p	Norton Simon Inc. $1	10⅛xd	−⅛	$1.08	—	5.8
24¼	17⅛	Quaker Oats US$5	22⅛	−⅛	$1.80	—	4.5
20⅛	15⅜	Rep. N.Y. Corp. $5	16xd	+⅛	♦$1.40	—	4.9
850p	528p	Rexnord $5	546pxd	.....	$1.08	—	11.0
18½	14	Rockwell Intl. $1	16⅛	+⅛	$1.56	—	5.4
454p	319p	Saul (B. F.) $1	441p	+20	20c	—	2.5
23½	15	Shell Oil $1	20⅞	.....	$1.80	—	4.9
536p	413p	Simplicity Patt.	469p	+7	56c	—	6.6
18⅜	13⅝	Sperry Corp. $0.50	13⅝	−¼	$1.92	—	7.9
24	16⅛	Sun Co. Inc.	19⅞	+⅜	$2.30	—	6.4
29	25¼	TRW Inc. $1¼	26⅝	−⅝	$2.60	—	5.4
17⅝	13⅞	Tenneco $5	14½	+⅛	$2.60	—	9.9
120	89	Do. 10% Ln. Stk. 91-95	98	.....	10%	—	10.6
13	880p	Tesoro Pt. US$0.16⅔	10⅞	−⅛	40c	—	2.1
17⅜	16	Texaco $6.25	16⅝	.....	$3.00	—	10.0
21⅛	16⅝	Time Inc. $1	16⅝xd	−⅛	$1.00	—	3.3
12⅛	10½	Transamerica $1	11	−⅛	$1.40	—	7.0
27¼	23¼	Union Carbide $1	25¼	+½	$3.40	—	7.3
22⅞	17⅞	Utd. Tech. $US5	20⅝	−½	$2.40	—	6.5
15¾	12	U.S. Steel $1	12	−⅜	$2.00	—	9.2
11¾	825p	Woolworths $3½	10⅝	+¼	$1.80	—	9.4
11¾	910p	Zapata Corp. 25c	966p	−1	72c	—	4.2

CANADIANS

1982 High	Low	Stock	Price £	+ or −	Div. Gross	C'vr	Y'ld Gr's
12⅞	861p	Bk. Montreal $2	987p	−9	$1.96	—	10.0
13⅝	902p	Bk. Nova Scot. $1	952p	−15	$1.84	—	8.9
907p	770p	Bell Canada $8⅓	884p	−16	$1.96	—	10.2
860p	478p	Bow Valley‖	666p	−48	15c	—	1.0
15¾	699p	Brascan‖	744p	+3	$1.80	—	12.2
12⅞	917p	Can. Imp. Bk. $2	918p	−26	$2.08	—	10.4
18⅜	11¾	Can. Pacific $5	11½	−¼	$1.90	—	7.6
30⅝	26⅜	Do. 4pc Deb. £100	28xd	+½	4%	—	14.3
826p	600p	Can. P. Ent.‖	644p	−8	$1.12	—	8.0
822p	495p	Gulf Can.‖	672p	−36	24c	—	3.0
700p	365p	Hawker Sid. Can.‖	369p	+4	96c	—	12.0
13⅝	11⅛	Hollinger $5	11⅞	−⅛	s$2.20	—	8.5
10⅝	834p	Hudson's Bay ‖	873p	+7	$1.20	—	3.8
11⅛	910p	Imperial Oil‖	10½	−½	$1.40	—	6.1
762p	543p	Inco‖	543p	−13	$US20c	—	1.9
900p	625p	Int. Nat. Gas $1	750p	.....	$1.30	—	6.8
151p	88p	Massey Ferg.‖	115p	−2	$—	—	—
18	14½	Rio Algom	74¾	−¾	$1.50	—	4.7
11⅞	889p	Royal Bk. Can. $1	929p	−8	$2.00	—	9.9
30½	26½	Seagram Co. C$1	28⅜	−⅜	US$1.00	—	3.3
14⅛	10⅞	Tor. Dom. Bk. $1	11	−⅛	$2.00	—	0.4
11½	840p	Trans Can. Pipe	840p	−9	$1.16	—	6.4

BANKS AND HIRE PURCHASE

1982 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's	P/E
282	210	ANZ $A1	225	.....	Q28c	3.3	7.7	4.0
253	205	Alexanders D. £1	225	.....	18.5	—	11.7	—
£63½	£56½	Algemene Fl.100	£61½	.....	Q26%	1.0	8.8	6.3
100	73	Allied Irish	90	.....	Q6.3%	♦	10.8	♦
*16⅛	10½	Ansbacher (H.) 5p	10½	.....	t0.35	—	4.8	—
260	200	Bk. Ireland £1	225xd	−10	gQ28%	—	10.2	—
3½	2	Bk. Leumi $0.1	3xx	.....	hQ8%	—	8.7	—
*227	190	Bk. Leumi (UK) £1	190	.....	10.15	—	7.6	—
180	153	Bk. N.S.W. $A1	162	.....	Q24c	2.9	9.2	3.8
510	390	Bank Scotland £1	390	.....	21.0	4.5	7.7	3.1
510	432	Barclays £1	462	.....	§22.0	5.1	6.8	3.1
240	220	Brown Shipley £1	230	.....	h6.5	—	4.0	—
340	[illegible]	Cater Allen £1	340	.....	25.8	—	10.6	—

BANKS & H.P.—Cont.

1982 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's	P/E
85	73	Charterhouse Gp.	77	.....	4.93	1.5	9.1	(9.0)
31	14	Clive Dis'nt 20p	25	.....	1.6	—	9.1	—
730	590	Com'zbk DM 10	677	−3	—	—	—	—
*969	770	C'hgn. Hdk. Kr100	900	.....	gQ15%	—	11.4	—
12	4	Dawes (G. R.)	5	.....	—	—	—	—
£68½	£63½	Deutsche Bank DM50	£63½xd	−1	Q11¼%	—	6.0	—
630	505	Dunbar Grp. £1	615	+5	d7.5	5.1	1.8	16.0
42	30½	First Nat. 10p	38	.....	—	—	—	2.8
4	2¼	Do. Wrts. 75-83	2½	.....	—	—	—	—
280	238	Gerrard Nat'nl	275xd	.....	15.75	—	8.2	—
220	125	Gillett Bros. £1	158	.....	8.75	—	7.9	—
41	35	Goode D't Mry. 5p	37	.....	0.88	—	3.4	—
235	158	Grindlays	198	.....	4.13	2.9	3.0	14.2
95	58	Guinness Peat	79	−2	‡4.0	—	‡	—
163	120	Hambros 5p	120	−8	†4.5	—	5.4	—
166	147	Hill Samuel	160	.....	†7.0	—	6.2	—
117	96	Hong Shng. $2.50	111	−4	†Q48c	—	4.2	—
64	54	Jessel Toynbee	57	−1	5.0	—	12.5	—
240	230	Joseph (Leo) £1	230	.....	10.45	—	6.5	—
98	78	King & Shax 20p	92xd	.....	6.3	—	10.1	—
246	216	Kleinwort B.L.	218	+1	10.0	—	6.6	—
500	385	Lloyds £1	402	.....	21.38	5.4	7.6	2.9
78	50	Manson Fin. 20p	52	.....	2.57	1.8	7.1	11.6
228	205	Mercury Secs.	216	+1	7.0	—	4.6	—
360	304	Midland £1	332	.....	24.0	3.5	10.3	3.8
£73	£64	Do. 7½% 83-93	£69	.....	Q7½%	25.5	10.9	—
£81¼	£69	Do. 10¼% 93-98	£77xd	.....	Q10¼%	25.5	e14.6	—
83	67	Minster Assets	83	.....	4.5	♦	8.0	♦
170	140	Nat. Bk. Aust. $A1	160	.....	Q22c	3.1	8.5	3.8
480	383	Nat. West. £1	432	.....	25.2	5.3	8.3	2.4
£56½	£44	Ottoman Bank £20	£53	−⅛	Q40%	—	7.6	—
197	96	Royal Bk. of Scot.	104xd	.....	†5.4	5.5	7.4	3.8
450	410	Schroders £1	425	.....	13.5	—	4.5	—
235	205	Seccombe MC £1	225xd	.....	s18.0	—	11.4	—
£21⅜	£18⅛	Sec. Pacific Corp.	£19	.....	Q$2.40	—	7.0	—
*135	34	Smith St. Aub.	35	+1	4.5	—	—	—
472	400	Stand'd Chart £1	420xr	−5	h24.67	3.2	8.4	4.1
$34	$21	Trade Dev. $1.50	$32	.....	♦Q$1.40	—	4.4	—
460	400	Union Disc £1	442	+2	26.0	—	8.4	—
£14	£11¼	Wells Fargo $5	£12⅛	−⅛	Q$1.92	—	8.3	—
£18	£13¼	Westland/Utr. Fl.50	£16	.....	—	—	—	—
185	122	Wintrust 20p	178	.....	†3.2	—	2.6	—

Hire Purchase, etc.

1982 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's	P/E
28½	22½	Cattle's (Hldgs) 10p	27	.....	1.0	1.8	5.3	12.5
£20½	£14⅞	Cie B'cre Fr.100	£16	.....	gQ15%	—	8.6	—
48	40	Lnd. Scot. Fin. 10p	40	.....	2.33	2.4	8.3	6.3
22	15	Moorgate Merc. 10p	20	.....	†0.9	1.5	6.4	12.8
136	110	Prov. Financial	120	+1	7.5	1.4	8.9	10.2
*17½	10½	Sturla Hldgs. 10p	11½	−½	t0.28	—	3.5	—
48	39	Wagon Finance	41	.....	2.31	0.8	8.1	23.3

BEERS, WINES AND SPIRITS

1982 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's	P/E
101	66	Allied-Lyons	100	+2	5.5	♦	8.1	♦
86	66	Amal. Dist. Pr. 10p	80	−2	†g1.0	[illegible]	1.8	(21.0)
249	196	Bass	247	+1	9.46	[illegible]	3.5	8.5
26	15	Belhaven Brewery	18	.....	—	—	—	—
190	144	Bell Arthur 50p	182	.....	†4.72	[illegible]	3.7	7.7
£150	£122	Do. 9¼pc Cnv. 99-01	£148	.....	Q9¼%	19.0	6.6	—
158	138	Boddingtons	158	+1	‡3.5	[illegible]	3.2	—
96	82	Border Brew's.	96xd	+2	5.2	[illegible]	7.7	♦
190	154	Brown (Matthew)	190	+2	6.35	[illegible]	4.8	11.2
50	44	Buckley's Brew.	50	.....	2.35	[illegible]	6.9	♦
[illegible]								

BUILDING INDUSTRY, TIMBER AND ROADS

[illegible]

CHEMICALS, PLASTICS

[illegible]

CHEMICALS, PLASTICS—Cont.

[illegible]

DRAPERY AND STORES

[illegible]

ELECTRICALS

[illegible]

ENGINEERING MACHINE TOOLS

[illegible]

ENGINEERING—Continued

[illegible]

FOOD, GROCERIES, ETC.

[illegible]

FOOD, GROCERIES—Cont.

[illegible]

HOTELS AND CATERERS

[illegible]

INDUSTRIALS (Miscel.)

[illegible]

INDUSTRIALS—Continued

INSURANCE

LEISURE

LEISURE—Continued

MOTORS, AIRCRAFT TRADES

Motors and Cycles

Commercial Vehicles

Components

Garages and Distributors

NEWSPAPERS, PUBLISHERS

PAPER, PRINTING ADVERTISING

PROPERTY

PROPERTY—Continued

SHIPPING

SHOES AND LEATHER

SOUTH AFRICANS

TEXTILES

TOBACCOS

TRUSTS, FINANCE, LAND

Investment Trusts

INVESTMENT TRUSTS—Cont.

Finance, Land, etc.

OIL AND GAS

OIL AND GAS—Continued

OVERSEAS TRADERS

RUBBERS AND SISALS

TEAS

India and Bangladesh

Sri Lanka

MINES

Central Rand

Eastern Rand

Far West Rand

O.F.S.

Finance

Diamond and Platinum

MINES—Continued

Central African

1982 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's
120	75	Falcon Rh.50c	90	.....	Q25c	10.3	20.7
33	20	Wankie Col. Z$1	29	.....	Q3c	1.2	12.1
21	16	Zam.Cpr.SBD0.24	16	.....	—	—	—

Australian

Tins

Copper

Miscellaneous

NOTES

REGIONAL MARKETS

OPTIONS

3-month Call Rates

Courtaulds	8	Nat. West. Bank	38	Brit. Petroleum	26
Debenhams	7	P & O Dfd.	14	Burmah Oil	10
Distillers	15	Plessey	32	Charterhall	6
Dunlop	6½	Racal Elect.	35	KCA	14
Eagle Star	31	R.H.M.	6½	Premier	6
F.N.F.C.	4	Rank Org. Ord.	20	Shell	30
Gen. Accident	28	Reed Intnl.	26	Tricentrol	22
Gen. Electric	65	Sears	6	Ultramar	38
Glaxo	42	Tesco	5½		
Grand Met.	17	Thorn EMI	42	Mines	
G.U.S. 'A'	45	Trust Houses	11	Charter Cons.	25
Guardian	25	T.I.	13	Cons. Gold	65
G.K.N.	15	Turner & Newall	11	Lonrho	7
Hawker Sidd	30	Unilever	55	Rio T. Zinc	42

A selection of Options traded is given on the London Stock Exchange Report page

"Recent Issues" and "Rights" Page 39

This service is available to every Company dealt in on Stock Exchanges throughout the United Kingdom for a fee of £600 per annum for each security

FINANCIAL TIMES
Thursday June 3 1982

Nato plans troop cut initiative

BY DAVID TONGE, DIPLOMATIC CORRESPONDENT

NATO COUNTRIES are proposing a major initiative to break the long deadlock in the mutual and balanced force reduction (MBFR) talks in Vienna.

Governments have agreed in principle that the Nato summit in Bonn next week will endorse a revised two-phase programme to reduce Nato and Warsaw Pact forces in Europe by about 370,000 troops, according to officials involved.

In the past the two sides have been stuck over the first phase of the programme. This would involve the U.S. withdrawing 13,000 troops and the Soviet Union pulling back 30,000. In the second phase, the two military alliances would agree to reduce their air and ground forces to a maximum of 900,000; a ceiling of 700,000 is proposed for ground forces.

Moscow has objected that the first phase does not include any commitment by the West to the second and major phase. Nato Governments now appear ready to commit themselves to the ceilings.

Britain believes this would lead to a total reduction of Warsaw Pact forces by 280,000 and of Nato forces by 90,000. The precise figures are disputed by Moscow.

The Nato move is designed to revive the Vienna talks. It is also intended to defuse criticism of President Ronald Reagan as he starts his tour of Western Europe and to ensure that Western governments are well equipped to deal with a series of anti-Nato protests planned to coincide with the opening of the second United Nations Special Session on Disarmament in New York.

During a visit to London to emphasise U.S. commitment to the strategic arms reduction talks (Start), Dr Eugene Rostow, head of the U.S. Arms Control and Disarmament Agency, yesterday insisted that President Reagan viewed the peace movements sympathetically and took them seriously.

In the Start talks, due to begin in Geneva on June 29, Washington will propose a one-third reduction in the 7,500 submarine and land-based ballistic missile warheads deployed by each of the two superpowers. President Reagan is emphasising the need for a cut in Soviet land-based intercontinental ballistic missiles (ICBMs) because their accuracy makes them a particular threat, according to Western experts. Nearly three-quarters of Soviet warheads are on ICBMs, whereas most U.S. strategic warheads are based on submarines and are less accurate.

The U.S. is pressing for each side's ICBMs to account for only half of its nuclear arsenal. During a second phase of the talks, it proposes turning to air-based strategic systems and setting limits on missiles' "throw-weight" and destructive potential.

Kent miners vote for all-out strike

By John Lloyd, Labour Editor

THE PROSPECT of national industrial action in the coalfields increased yesterday as Kent's 3,000 miners voted for all-out strike from June 19. They also decided to seek support for their action, which is over a pit closure, from other areas of the National Union of Mineworkers.

The decision had the support in advance of Mr Arthur Scargill, the NUM president. Mr Scargill has said he will call for a widening of the dispute at the union's executive meeting next week.

The National Coal Board wants to stop production at Snowdown Colliery, one of three Kent pits, which has been running at an annual loss of £9m.

The board wants to transfer or make redundant 550 miners, leaving 200 for development work aimed at opening a new face in two years.

A meeting of more than 1,000 in the mining village of Aylesham—whose economy is wholly dependent on Snowdown—voted by a large majority to reject the NCB proposals and bar miners from accepting redundancy terms on pain of losing union benefits.

The Kent pits were at a standstill yesterday.

A significant minority at the meeting objected vociferously to the sanctions.

The vote was won after a speech by Mr Jack Collins, the area secretary, in which he told his members that their jobs were "held in trust for the next generation."

The Kent area officials say they have had encouraging responses from leaders of other coalfields to their plans to spread the dispute.

The West Midlands and Kent area of the NCB said last night that no talks were planned between the board and the NUM. The board appears unwilling to withdraw its proposals, and ready to tolerate industrial action—at least in part because a strike in Kent will save it money.

● Next week's meeting of the NUM executive will debate a call from Kent for a national delegate conference to discuss what action to take over job losses in a number of areas.

BR steps up pressure on Aslef with productivity offer to guards

BY PHILIP BASSETT, LABOUR CORRESPONDENT

BRITISH RAIL is offering its guards a special payment for accepting the key productivity improvement of more flexible work rostering. The offer will increase pressure on BR's train drivers to drop their opposition to the proposal.

BR has made the offer to negotiators from the National Union of Railwaymen, the largest rail union. The NUR had said that an initial BR offer of a special payment for flexible rostering should be improved to take account of the longer-term prospective saving.

The offer, which is likely to be put to the NUR executive next week, is in addition to the extra pay effectively being received by NUR members after the introduction of a 39-hour week.

Members of the Associated Society of Locomotive Engineers and Firemen are still working a 40-hour week and will receive no extra payment until they accept flexible rostering.

BR hopes that Aslef members seeing guards on the same trains working shorter hours and being paid more might be induced to accept the flexible rosters.

BR is poised to send out the rosters, but it is likely to receive a further rebuff today when the Aslef executive meets.

The executive is expected to insist on non-co-operation at local level with the rosters, and confirm its rejection of BR's offer of a 5 per cent pay rise from September, strictly tied to agreeing productivity improvements, including flexible rostering.

BR is expected to send either today or tomorrow a letter to the NUR and the Confederation of Shipbuilding and Engineering Unions suspending the closure of its engineering works at Shildon, Co. Durham, and Horwich, Greater Manchester, and its rundown of the plant at Swindon, with the loss overall of 6,000 jobs.

The letter is designed to head off industrial action threatened by the NUR from Monday. It will stress, though, that the move is not a reprieve for the workshops. BR will say closure is still its favoured option, but that it is willing to talk on the issue.

Fear for workshops, Page 11

Labour plans transport authority

BY BRIAN GROOM, LABOUR STAFF

A FUTURE Labour Government would form a National Transport Authority to fulfil the labour movement's hopes for an integrated transport policy. The aim would be to plan a national transport network and co-ordinate local road and rail services.

This is the main thrust of a confidential draft document drawn up by the team of Mr Albert Booth, shadow transport minister, in consultation with road, rail and maritime unions affiliated to the party.

The authority would plan investment and co-ordinate policy and operations. Its members would consist of management, trade union, local authority and representatives of transport users.

It would have few executive powers, and leave day-to-day responsibility for road and rail transport with local authorities and nationalised industries.

However, the authority is seen as having a decisive advisory influence on a Government committed to increasing investment and subsidy, to reverse the falling proportion of overall spending allocated to transport, and to enlarge the role of the public sector.

The document still has to come before Labour's home policy committee and its national executive, and the TUC general council. It has large areas of imprecision, but it seen as an achievement for unions with a history of rivalry and disagreement.

A larger role for the public sector is envisaged in road haulage, ports and shipping.

Labour does not underestimate the problems of sending more goods by rail, rather than road. Apart from rail investment, it would seek to do that by agreements with freight consigners and transport industries rather than direction, although it would take powers to licence long-distance road freight movement.

Road haulage would be more strictly licensed, but the practical problems of nationalising it are restated. The aim is still a "publicly-owned share of the road haulage industry."

On bus transport, the document puts forward the concept of a "minimum service" which authorities would have to provide, within their limits of revenue and subsidy.

There would be a new authority for shipping, with powers to acquire and operate services "where desirable."

Second sale in two days for Bond

BY MICHAEL THOMPSON-NOEL IN SYDNEY

BOND CORPORATION, the main quoted company of Mr Alan Bond, the Perth entrepreneur, yesterday made its second big disposal in two days. It sold the bulk of its shareholding in Santos, the major partner in Australia's rich Cooper Basin oil and natural gas project, to the National Mutual Life Association of Australasia for A$136.8m (£80.5m) cash.

The deal means that Bond has raised A$188.5m in cash in the past two days. On Tuesday it sold through the stock market its entire interests in Reef Oil (49 per cent) and Basin Oil (31 per cent), two of the smaller Cooper Basin partners.

Mr Bond said last night in Sydney that the proceeds of his company's withdrawal from Cooper Basin would be used to repay borrowings.

Bond borrowed A$130m to fund its purchase last September of Western Australia's only brewery, Swan. The group's total debt will fall from about A$250m to an estimated A$55m to A$60m.

"We are now substantially undergeared," said Mr Bond.

National Mutual, which on Tuesday was a leading buyer of Bond's Reef and Basin stock, is Australia's second largest life office. Its acquisition of controlling interests in Reef and Basin, together with its stake in Santos, have given it a key involvement in Cooper Basin, where a huge oil and natural gas liquids project is being developed at a projected cost of A$1.4bn.

In yesterday's deal, National Mutual bought 20.45m Santos shares from Bond for A$6.68 each, giving it a 13.33 per cent shareholding. Bond Corporation retained 2.1m shares, or 1.37 per cent, of Santos.

Opting for cash, Page 29

Continued from Page 1

Canadian

bond market, where prices fell by up to ⅜ of a point yesterday. The paper matures in 1987, carries a 14⅜ per cent coupon and is priced at par (100 per cent).

There are eleven co-managers in addition to the two lead-managers. The lead-managers have undertaken to sell $155m of bonds each, while the co-managers have commitments of $40m each. Some managers yesterday offered the Canadian bonds at discounts of 2 per cent or more, because of the huge size of their selling commitments. The borrower, however, is a Triple A-rated sovereign and regarded as one of the finest names to come to the Euromarket. Sizeable demand for the bonds was said to be coming yesterday from central banks.

Max Wilkinson writes: The U.S. dollar continued to move ahead in early trading in London yesterday after its rise on Tuesday. Its Bank of England trade weighted index against a basket of currencies closed at 115.7, an increase of 0.3 points on the previous close. The dollar's early strength was associated with a firming of Eurodollar interest rates, but it fell back later in the day because of profit-taking.

The movement mirrored that of the French franc which showed early weakness, but strengthened later, although there was little evidence of official intervention. There were rumours at the weekend of a devaluation of the French franc, but the markets appeared to believe that any such action was now unlikely before the economic summit meeting due to start in Versailles tomorrow.

Continued from Page 1

Harriers reinforce Army

Falklands campaign.

This substantially increases the air strength of the Task Force at a time when the Argentine Air Force, less active in the last week, may well decide to mount its own major attack as the British move on Stanley.

In a separate announcement the Ministry confirmed that casualties were caused when an Argentine ammunition dump exploded at Goose Green, captured by Britain at the weekend.

The ammunition was said by reporters with the troops to have been booby-trapped by Argentine forces shortly before their surrender. They reported that three Argentines were killed.

The Ministry indicated that there had been British casualties, without giving further details. It announced that in accordance with the Geneva Convention on war prisoners, an inquiry into the incident had been ordered.

Reporters with the troops on the Falklands yesterday provided graphic descriptions of some of the positions established by Tuesday, and of how the troops got there.

It seems clear that the majority of the troops — there are 5,000 officially announced as on the islands with 3,000 in reserve, marched on foot from west to east of the island of East Falkland.

Col Andrew Whitehead, commanding officer of 45 Royal Marine Commando, said on television yesterday: "It has been an epic march — the longest, carrying full kit across rough country, in the history of the commandos. In the context of the hard going and the weight carried it has been a Herculean effort."

The men were fit enough to recover very quickly and ready to fight."

In a pooled dispatch clearly filed on Tuesday, and therefore apparently relating to events which took place mainly on Monday, Robert McGowan of the Daily Express spoke of how "specialist units" through a bitterly cold night hit Argentine posts in the high country overlooking the capital while the para, to whom I am attached, swept in and took a key pass.

Apparently referring to Tuesday morning, McGowan says: "As a watched Royal Marine Commandos on our flank stormed the strategically vital Two Sisters ridge overlooking Moody Brook."

Opposition was slight. "Specialist troops were involved in sporadic fire fights as Argentine patrols fell back and took to the hills for Stanley. . . We found enemy trenches with boots, ammunition and clothing still in them.

In a pooled dispatch Reuters correspondent Leslie Down said that British batallions surrounded the Argentines at Port Stanley.

He said that 7,000 Argentine soldiers pulled back into a defensive perimeter.

Troops could see the landmark of the snow-covered roof of Port Stanley Social and Shooting Club pavilion.

A staff officer said the Argentines were in a "classic defensive position; a horseshoe round Stanley. It could be a very bloody battle indeed if they decide to slug it out."

Charter bid for Anderson goes to Monopolies Commission

By Ray Maughan

THE bitterly opposed £64m bid by Charter Consolidated for the Glasgow-based mining equipment manufacturer, Anderson Strathclyde, has been blocked by a reference by the Department of Trade to the Monopolies and Mergers Commission and will accordingly lapse when the decision is announced formally today.

It is not clear whether Charter, an industrial and mining finance holding company, will submit to a six months' investigation by the Monopolies Commission or whether it will seek to dispose of the 28.4 cent holding in Anderson Strathclyde it acquired two years ago.

While examining two recent bid proposals, the Office of Fair Trading concluded that the presence of major holdings by the bidder in the shares of the bid target constituted a "merger situation."

In one instance, Argyll Foods withdrew its contested £87m offer for Linfood Holdings and Great Universal Stores is now expected to undergo an investigation in pursuit of a £37m agreed offer for Empire Stores (Bradford).

Charter has plainly identified the mining equipment market as a key growth area for the development of its new strategy of active management in its industrial interests and has recognised that there are few alternatives to a bid for Anderson Strathclyde in the UK sector.

On the other hand, it has acknowledged that "a lengthy and expensive" investigation "will distract from their real function the managements of both companies involved."

Both companies have attempted to play down Anderson Strathclyde's importance as a major employer in the Scottish economy. The bid, however, has been attacked by a group of 12 Scottish Labour MPs acting independently of Anderson Strathclyde. What has become known as the "Scottish card" is understood to have played a decisive part in the reference.

The Department of Trade is thought to have considered the long-term effects on the Scottish economy of its effective insulation from merger activity and the removal of the disciplines which would otherwise be imposed on management by takeover threats.

There are strong precedents for the preservation of Scottish identity and the Department would have been able to refer back to its conclusions on the bid by Hiram Walker for Highland Distilleries.

The most recent decision on these lines maintained the independence of the Royal Bank of Scotland in the face of bids from Standard Chartered Bank and the Hong Kong and Shanghai Banking Corporation.

Weather

UK TODAY

WARM with thundery showers.

Orkney and Shetland
Fog at times, sunny periods. Max 17C (63F).

Rest of UK
Sunny periods, thundery showers — heavy in places. Max 27C (81F).

Outlook: Little change.

WORLDWIDE

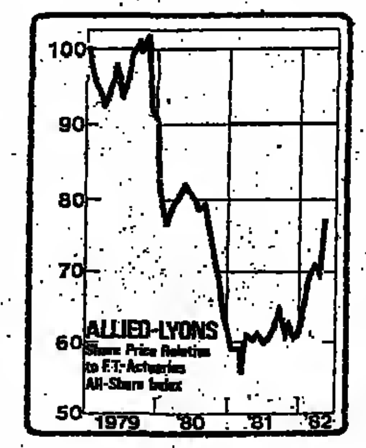
		Y'day midday °C	°F			Y'day midday °C	°F
Ajaccio	F	25	77	L. Ang.†	F	14	57
Algiers	C	20	68	Luxmbg.	S	26	79
Amsdm.	S	26	79	Luxor	—	—	—
Athens	F	27	81	Madrid	C	18	81
Bahrain	—	—	—	Majorca	S	26	79
Barcina.	S	21	70	Malaga	S	22	72
Beirut	—	—	—	Malta	S	23	73
Belfast	S	22	72	M'chstr.	S	25	77
Belgrd.	S	28	82	Melbne.	—	—	—
Berlin	S	30	86	Mx. C.†	—	—	—
Biarritz	C	19	66	Miami†	R	23	73
Bmghm.	S	25	77	Milan	S	27	81
Blackpl.	S	22	72	Montrl.†	C	15	59
Bordx.	F	24	75	Moscow	S	21	70
Boulgn.	F	22	72	Munich	S	26	79
Bristol	S	25	77	Nairobi	—	—	—
Brussels	S	27	81	Naples	F	28	82
Budpst.	S	28	82	Nassau	—	—	—
Cairo	—	—	—	Nwcstl.	F	24	75
Cardiff	C	23	73	N York†	F	17	63
Cas'b'ca	C	20	68	Nice	F	24	75
Cape T.	—	—	—	Nicosia	S	23	73
Chicg.†	R	13	55	Oporto	F	19	66
Cologne	S	30	86	Oslo	S	22	72
Cphgn.	S	25	77	Paris	S	26	79
Corfu	S	26	79	Perth	—	—	—
Denver†	C	10	50	Prague	S	29	84
Dublin	S	19	66	Reykjvk.	R	12	54
Dbrvnk.	S	27	81	Rhodes	—	—	—
Edinbgh.	F	22	72	Rio J'ot	—	—	—
Faro	S	22	72	Rome	S	27	81
Florence	S	31	88	Salzbrg	S	29	84
Frankft.	S	31	88	S F'cisco†	—	—	—
Funchal	F	18	64	S. Moritz	—	—	—
Geneva	C	21	70	Singapr.	—	—	—
Gibraltar	C	22	72	S'tiago†	—	—	—
Glasgow	S	22	72	Stckhm.	S	27	81
G'rnsey	S	22	72	Strsbg.	S	29	84
Helsinki	S	23	73	Sydney	—	—	—
H. Kong	—	—	—	Tangier	S	25	77
Innsbrk.	S	29	84	Tel Aviv	C	25	77
Invrnss.	S	22	72	Tenerife	S	25	77
I.o.Man	S	16	61	Tokyo	—	—	—
Istanbul	—	—	—	T'ronto†	S	11	52
Jersey	S	23	73	Tunis	F	27	81
Jo'burg	—	—	—	Valencia	F	23	73
L. Pims.	F	23	73	Venice	S	27	81
Lisbon	F	23	73	Vienna	S	27	81
Locarno	S	25	77	Warsaw	S	27	81
London	F	26	79	Zurich	S	25	77

C—Cloudy. F—Fair. R—Rain. S—Sunny.
† Noon GMT temperatures.

THE LEX COLUMN

A stronger brew from Allied

Index fell 2.2 to 585.1



Allied-Lyons is making progress—pre-tax profits, stripped of property items, are up from £95.1m to £124.0m in the year to March, and each of the past three half years has seen an advance of 13 per cent or more on its predecessor.

Beer volume was well down last year, but trading profits (helped by the Australian associate) are pushing ahead as Allied claws back the free trade business lost in the Ansells strike and begins to benefit from the closure of the Birmingham brewery in terms of lower total overheads and better capacity use elsewhere.

Lyons' U.S. businesses are doing well—the picture at home is mixed — while wines and spirits, helped by a currency-related boost to export margins, are now comfortably the highest-earning division.

Wines and spirits may only mark time this year, while a strike at Lyons' cakes offsets the excellent ice-cream weather. But there should still be a modest overall advance on the back of higher beer profits.

The share price is back to 100p, a level which—except for a brief visit in 1979—has hardly been seen for a decade. That is likely to start the rights issue rumours again, but Allied's borrowings are very stable and its income gearing is no longer a worry. The dividend is now nearly covered by current cost earnings (ex-property) and on a yield of 8.1 per cent the shares look a solid investment, if not an exciting one.

CSI rules

A few months ago merchant bankers were growling about the new rules, intended to prevent dawn raids, from the Council for the Securities Industry. It seemed to this column, too, that labyrinthine controls were an inadequate answer to the fundamental—and complex—question of a fund manager's responsibilities. The raids were duly stopped, but the market was to some extent shackled. A paragraph was later slipped in exempting agreed bids from the CSI rules, which on the face of it looked reasonable, given that the rules were directed against rapid, aggressive takeovers. Yet merchant bankers are now purring contentedly in unison—as much a sign that something is wrong as was the rising of their collective hackles.

The CSI's annual report says that there are arguments for and against this exemption, which is a mandarin way of admitting it is highly controversial. The CSI comes down for the exemption on the fair grounds that in an agreed bid, the directors of the company being taken over have already had time for reflection—which is not the case in a market raid. But it then spoils things by assuming that directors can be trusted to act in the best interests of their shareholders (this only months after the Royal Bank of Scotland fiasco), and by saying that a merger "desired by both sides" may not take place if there is any chance of an auction developing.

In other words, shut-outs are a Good Thing; from the point of view of the merchant bankers, maybe, but how about the majority of shareholders? The exemption was neatly used by GUS to tie up nearly 40 per cent of Empire Stores—which would have been an exceedingly powerful platform in the absence of a Monopolies reference. The institutions that sold were taking much the same sudden-death view as in a dawn raid, except that they had the blessing of the Empire board, and were less likely to be made to look foolish by the emergence of a higher offer.

No doubt the next exemption to a loophole (or vice versa) will have the merchant banks up in arms again. The trouble is that there are basic conflicts of interest on many questions between the institutions represented on the CSI. It can hardly do other than fudge.

De La Rue

The share price of De La Rue shot up throughout the late 1970s as the stock market thrilled to the high-technology potential of the company's scanner business and the attractions of printing bank-notes in an environment of high inflation. Both these activities entail a high degree of risk, as was made abundantly clear by yesterday's results for the year to March.

Profits have fallen from £33m to £21.9m pre-tax, thanks to provisions of £9m made in the bank-note business and a trading loss of £4.8m at Crosfield Electronics. The stock market's record of predicting De La Rue earnings is hardly distinguished, but yesterday's 45p fall in the share price to 535p was still exceptional. After the debiting of two years' worth of ACT, the higher dividend is not covered by current cost earnings.

De La Rue is understandably coy about detailing the provisions in its bank-note division, but they apparently relate to payment difficulties with a small number of clients and to uncertainties about work in progress at the Dublin printing plant.

The specific problems mask a generally sound performance from most other divisions. The introduction of a new generation of scanners brought Crosfield into the black during the second half, the balance sheet is strong and a substantial recovery is in view this year. But the glamorous image has been badly dented and the 8.1 per cent yield is almost double the levels of 1980.

Harrisons

Harrisons' second half trading produced the expected recovery in profits, leaving the full-year total only 7½ per cent lower at £47.2m before tax. But the figures throw little light on the group's likely progress after the Malaysianisation deal announced on Tuesday.

The plantation interests bounded back to exceed their interim profits by 70 per cent. That had something to do with a better level of output after poor rubber crops in the early months; but something was gained too by the inclusion as a subsidiary of London Sumatra; the effect can be gauged by a corresponding fall of over £3m in associate income over the year.

With only a 30 per cent stake in the reconstituted HME, Harrisons looks a fairly ordinary conglomerate, though one which still has a useful involvement in plantations and a number of businesses—particularly timber and chrome products—which are highly geared to the level of activity. Where the share price goes, from its present 562p (down 13p over the past two days) will be decided in part on the use which Harrisons chooses to make of the Bumiputras' cash. The group's chemical investments have yet to prove themselves, and the uncertainty is reflected in a 7½ per cent yield.

Registered at the Post Office. Printed by St. Clement's Press for and published by the Financial Times Ltd., Bracken House, Cannon Street, London EC4P 4BY.